



SONA HI SONA JEWELLERS (GUJARAT) LIMITED

Our Company was originally incorporated as "Sona Hi Sona Jewellers (Gujarat) Private Limited" as a private limited company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated February 09, 2010 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company was converted into a public limited Company pursuant to a special resolution passed by our shareholders at the Extra ordinary General Meeting held on July 08, 2017 and consequently the name of our Company was changed to "Sona Hi Sona Jewellers (Gujarat) Limited" and a fresh certificate of Incorporation was issued by the Registrar of Companies, Ahmedabad dated July 19, 2017. For further details, please refer the chapter titled "History and Certain Corporate Matters" beginning on page 109 of this Prospectus.

Registered office: 7, Millennium Plaza, Opp. Swaminarayan Mandir, Mansi Cross Road, Vastrapur, Ahmedabad 380013, Gujarat, India.

Tel No: +91 8511191111; **Website:** www.sonahisona.com ; **E-Mail:** cs@sonahisona.com

Company Secretary and Compliance Officer: Falak Parikh; **Corporate Identification Number:** U36910GJ2010PLC059513

OUR PROMOTERS: VIJAY SHAH AND ALPABEN SHAH	
THE ISSUE	
<p>INITIAL PUBLIC ISSUE OF 45,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00/- EACH ("EQUITY SHARES") OF SONA HI SONA JEWELLERS (GUJARAT) LIMITED ("THE COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 10.00/- PER EQUITY SHARE (THE "ISSUE PRICE"), AGGREGATING TO ₹ 450.00 LAKHS ("THE ISSUE"), OF WHICH 2,40,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00/- FOR CASH AT A PRICE OF ₹ 10/- EACH AGGREGATING ₹ 24.00 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 42,60,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH FOR CASH AT A PRICE OF ₹ 10.00/- PER EQUITY SHARE, AGGREGATING TO ₹ 426.00 LAKHS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.81 % AND 25.38 % RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.</p>	
THE FACE VALUE OF THE EQUITY SHARES IS RS 10/- AND THE ISSUE PRICE IS 1.00 TIME OF THE FACE VALUE	
<p>THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE "SEBI (ICDR) REGULATIONS"), AS AMENDED. IN TERMS OF RULE 19(2)(b)(i) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED, THIS IS AN ISSUE FOR AT LEAST 25% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THIS IS FIXED PRICE ISSUE. FOR FURTHER DETAILS, PLEASE REFER TO CHAPTER TITLED "ISSUE PROCEDURE" BEGINNING ON PAGE 201 OF THIS PROSPECTUS.</p> <p>In terms of the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, dated November 10, 2015 and the 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. Further, pursuant to SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2018 dated November 01, 2018, Retail Individual Investors applying in public offer may use either Application Supported by Blocked Amount (ASBA) facility for making application or may use UPI (Unified Payment Interface) as an additional payment mechanism with Application Supported Blocked Amount for making application. Further, pursuant to the SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 03, 2019, the timeline has been extended for implementation of Phase-I by three months i.e. till June 30, 2019. However, further SEBI has issued a circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, for implementation of Phased II for UPI facility, which shall be effective from July 01, 2019. All potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by 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 201 of this Prospectus. A copy of the Prospectus shall be delivered for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013.</p>	
RISK IN RELATION TO THE FIRST ISSUE	
<p>This being the first Public Issue of our Company, there has been no formal market for the securities of our Company. The face value of the share is ₹ 10.00/- per Equity Share and the Issue price is ₹ 10.00/- per Equity Share, is 1 time of the face value. The Issue Price (has been determined by our Company in consultation with the Lead Manager as stated in the chapter titled on "Basis for Issue Price" beginning on page 70 of this Prospectus) should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our Company or regarding the price at which the Equity Shares will be traded after listing.</p>	
GENERAL RISKS	
<p>Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 20 of this Prospectus.</p>	
COMPANY'S ABSOLUTE RESPONSIBILITY	
<p>The Issuer, 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.</p>	
LISTING	
<p>The Equity Shares offered through this Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited (NSE EMERGE). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an approval letter dated September 09, 2019 from NSE for using its name in this offer document for listing of our shares on the Emerge Platform of National Stock Exchange of India Limited. For the purpose of this Issue, the designated Stock Exchange will be the NSE EMERGE."</p>	
LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
 <p>FEDEX SECURITIES PRIVATE LIMITED 305, Enterprise Centre, Nehru Road, Vile Parle (East), Mumbai- 400099, Maharashtra, India Tel No.: +91 81049 85249 Fax No.: 022 2618 6966 E-mail: mb@fedsec.in Website: www.fedsec.in Contact Person: Rinkesh Saraiya SEBI Registration Number: INM000010163 Investor Grievance E-mail: mb@fedsec.in</p>	 <p>LINK INTIME INDIA PRIVATE LIMITED C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai 400083, Maharashtra, India. Tel No: 022 - 4918 6200 Fax No: 022 - 49186195 Email id: sonahisona.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Shanti Gopalkrishnan SEBI Registration Number: INR000004058 Investor Grievance E-mail: sonahisona.ipo@linkintime.co.in</p>
ISSUE PROGRAMME	
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SECTION I - DEFINITION AND ABBREVIATIONS

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

The words and expressions used in this Prospectus, but not defined herein shall have the meaning ascribed to such terms under SEBI ICDR Regulations, 2018 the Companies Act, 2013 the SCRA, the Depositories Act, 1996 and the rules and regulations made there under.

Notwithstanding the foregoing, the terms not defined but used in the chapters titled “*Statement of Possible Special Tax Benefits*”, “*Restated Financial Statements*”, “*Outstanding Litigation and Material Developments*” and section titled “*Description of Equity Shares and Terms of Articles of Association*” beginning on pages 73, 134, 175 and 244 respectively, shall have the meanings ascribed to such terms in the respective sections.

(A) Conventional or General Terms

Term	Description
“SHSJGL”, “our Company”, “we”, “us”, “our”, “the Company”, “the Issuer Company” or “the Issuer”	Unless the context otherwise indicates or implies, refers to Sona Hi Sona Jewellers (Gujarat) Limited, a public limited company incorporated under the Companies Act, 2013 and having Registered Office at 7, Millennium Plaza, Opposite Swaminarayan Mandir, Mansi Cross Road, Vastrapur, Ahmedabad – 380013, Gujarat, India
Promoter(s) / Core Promoter (s)	The Promoters of our Company are a) Vijay Shah b) Alpaben Shah
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1)(pp) of SEBI ICDR Regulations, 2018 as disclosed in the chapter titled “ <i>Promoters / Principal Shareholders</i> ” beginning on page 126 of this Prospectus

(B) Issue Related Terms

Terms	Description
Abridged Prospectus	Abridged Prospectus to be issued under Regulation 255 of SEBI ICDR Regulations 2018 and appended to the Application Form
Advisors	<u>Advisor to the Company</u> - NNM Nextgen Advisory Private Limited and <u>Advisor to Issue</u> - Mastermind Corporate Services
Allot / Allotted / Allotment/ Allotment of Equity Shares	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Issue
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 our Company
Application Supported by Blocked Amount / ASBA	Application supported by blocked amount (ASBA) means an application for subscribing to a public issue or rights issue, along with an authorisation to self-certified syndicate bank to block the application money in a bank account

Terms	Description
ASBA Account	An account maintained with the SCSB and specified in the application form submitted by ASBA applicant for blocking the amount mentioned in the application form.
Allottee	The successful applicant to whom the Equity Shares are being / have been issued
Basis of Allotment	The basis on which equity shares will be allotted to successful applicants under the Issue and which is described in the chapter titled “ <i>Issue Procedure</i> ” on page 201 of this Prospectus
Bankers to the Company	Corporation Bank
Bankers to the Issue / Escrow Collection Banks	The banks which are Clearing Members and registered with SEBI under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 as Banker to an Issue with whom the Escrow Agreement is entered into and in this case, being ICICI Bank Limited
CAN /Confirmation of Allocation Note	A note or advice or intimation sent to Investors, who have been allotted the Equity Shares, after approval of Basis of Allotment by the Designated Stock Exchange
Client ID	Client identification number of the Applicant’s beneficiary account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Application Forms at the Designated CDP Locations in terms of circular no. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate Application Forms by the ASBA Applicants with the Registrar to the Issue and EMERGE Platform of National Stock Exchange of India Limited and a list of which is available at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time
Demographic Details	The demographic details of the Applicants such as their address, PAN, occupation and bank account details
Depositories	NSDL and CDSL registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant/DP	A depository participant registered with SEBI under the Depositories Act.
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account, or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account following which the Board of Directors shall Allot the Equity Shares to successful Applicants in the Issue
Designated Intermediaries	The SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Applicants, in relation to the Issue
Designated Stock Exchange	EMERGE Platform of National Stock Exchange of India Limited (NSE EMERGE)
Designated CDP Locations	Such centers of the CDPs where Applicants can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the website of National Stock Exchange of India Limited
Designated SCSB Branches	Such Branches of the SCSBs which shall collect the ASBA Forms used by the Applicants, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35

Terms	Description
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the NSE Limited
Designated Market Maker	NNM Securities Private Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations
Draft Prospectus	This Draft Prospectus dated July 19, 2019 filed with EMERGE Platform of National Stock Exchange of India Limited, prepared and issued by our Company in accordance with SEBI ICDR Regulations.
Eligible NRI	NRI eligible to invest under the FEMA Regulations, from jurisdictions outside India where it is not unlawful to make an offer or invitation to participate in the Issue and in relation to whom the Application Form and the Prospectus will constitute an invitation to subscribe for Equity Shares and who have opened dematerialized accounts with SEBI registered qualified depository participants
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation to participate in the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to Equity Shares issued thereby, and who have opened dematerialized accounts with SEBI registered qualified depository participants, and are deemed as FPIs under SEBI FPI Regulations
Issue Opening Date	The date on which the Issue opens for subscription
Issue Closing date	The date on which the Issue closes for subscription
Issue Period	The period between the Issue Opening Date and the Issue Closing Date (inclusive of such date and the Issue Opening Date) during which prospective Applicants can submit their Application Forms, inclusive of any revision thereof. Provided however that the applications shall be kept open for a minimum of three (3) Working Days for all categories of Applicants
IPO	Initial Public Offering
Issue / Issue Size / Public Issue	Initial Public Issue of 45,00,000 Equity Shares of face value of ₹ 10/- each for cash at a price of ₹ 10/- per equity share aggregating to ₹ 450 Lakhs by our Company
Issue Price	The price at which the Equity Shares are being issued by our Company under this Prospectus being ₹ 10/-per Equity Share
Issue Agreement	The agreement dated January 21, 2019 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue
LM / Lead Manager	Lead Manager to the Issue, in this case being Fedex Securities Private Limited
Listing Agreement	Unless the context specifies otherwise, this means the SME Equity Listing Agreement to be signed between our company and the EMERGE Platform of National Stock Exchange of India Limited.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 42,60,000 Equity Shares of face value of ₹ 10 each fully paid up of our Company for cash at a price of ₹ 10/- per Equity Share (the issue price) aggregating to ₹ 426 Lakhs
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please refer chapter titled “Objects of the Issue” beginning on page 64 of this Prospectus

Terms	Description
Non-Institutional Applicants /NIB	All Applicants (including Eligible NRIs), who are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than ₹ 2,00,000
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
Prospectus	The Prospectus, filed with the ROC containing, inter alia, the Issue opening and closing dates and other information
Public Issue Account	A 'no-lien' and 'non-interest bearing' account opened with Bankers to the Issue by our Company under section 40(3) of the Companies Act, 2013 to receive money from the Escrow Accounts on the Designated Date, and into which the funds shall be transferred by the SCSBs from the ASBA Accounts.
Qualified Foreign Investors / QFIs	A qualified foreign investor as defined in SEBI FPI Regulations
Qualified Institutional Buyers / QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of SEBI ICDR Regulations
Refund Account	Account opened / to be opened with a SEBI Registered Banker to the Issue from which the refunds of the whole or part of the Application Amount, if any, shall be made.
Refund through electronic transfer of funds	Refunds through NECS, NEFT, direct credit, NACH or RTGS, as applicable
Registered Broker	Stock brokers registered with SEBI as trading members who hold valid membership of NSE having right to trade in stocks listed on NSE and eligible to procure Application Forms in terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012
Registrar Agreement	The agreement dated January 21, 2019 entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar pertaining to the Issue
Registrar and Share Transfer Agents or RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar / Registrar to the Issue	Registrar to the Issue being Link Intime India Private Limited
Regulations	Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time.
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.
SCSB	A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers the facility of ASBA and UPI process, including blocking of bank account. A list of all SCSBs through ASBA process is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 . and a list of all SCSBs through UPI Process is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 .
Underwriters	Underwriters to the issue are NNM Securities Private Limited and Fedex Securities Private Limited
Underwriting Agreement	The Agreement entered into between the Underwriters and our Company dated September 19, 2019

Terms	Description
UPI	Unified payment Interface; to streamline the process of Public Issue of Equity Shares
UPI ID	ID Created on the UPI for single-window mobile payment system developed by NPCI
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI application and by way of a SMS directing the RIB to such UPI mobile application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to application Amount and subsequent debit of funds in case of Allotment
Wilful Defaulter	Wilful Defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.
Working Days	All days on which commercial banks in Ahmedabad are open for business; provided however, with reference to Issue Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Ahmedabad are open for business; the time period between the Issue Closing Date and the listing of the Equity Shares on the NSE EMERGE Platform, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI

(C) Company Related Terms

Term	Description
Articles / Articles of Association/AOA	The articles of association of our Company, as amended from time to time
Board of Directors / Board	The Board of Directors of our Company or a committee constituted thereof
Companies Act	Companies Act, 1956 and/ or the Companies Act, 2013, as amended from time to time.
CMD	Chairman and Managing Director
Depositories Act	The Depositories Act, 1996, as amended from time to time
Director(s)	Director(s) of Sona Hi Sona Jewellers (Gujarat) Limited unless otherwise specified
Equity Shares	Equity Shares of our Company having Face Value of ₹ 10 each unless otherwise specified in the context thereof
Equity Shareholders	The holder of Equity Shares of the Company
Group Companies	The companies (other than our Promoters and Subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and as disclosed in "Information with respect to Group Companies" beginning on page 181 of this Prospectus
Indian GAAP	Generally Accepted Accounting Principles in India
Independent Directors	Independent directors on the Board, and eligible to be appointed as an independent director under the provisions of Companies Act and SEBI Listing Regulations. For details of the Independent Directors, please refer chapter titled "Management" beginning on page 114 of this Prospectus
ISIN	International Securities Identification Number
IT	Information Technology

Term	Description
Key Managerial Personnel / Key Managerial Employees	The officer vested with executive power and the officers at the level immediately below the Board of Directors as described in the section titled “ <i>Management</i> ” on page 114 of this Prospectus
MD	Managing Director
MOA/ Memorandum / Memorandum of Association	Memorandum of Association of our Company as amended from time to time
Peer Review Auditors	The Peer Review Auditors of our Company, being M/s Bhagat & Co. Chartered Accountants
Registered Office	The Registered office of our Company, located at 7, Millennium Plaza, Opposite Swaminarayan Mandir, Mansi Cross Road, Vastrapur, Ahmedabad – 380013, Gujarat, India
ROC / Registrar of Companies	Registrar of Companies, Ahmedabad.
Statutory Auditors	The Statutory Auditors of our Company, being M/s Dipesh Chokshi & Co. Chartered Accountants
Specified Security	Specified Security mean Equity Shares
Stakeholders Relationship Committee	The Stake Holders Relationship Committee of our Board

Technical and Industry Related Terms

Term	Description
BIS	Bureau of Indian Standards
BRIC	Brazil, Russia, India and China
CAD	Computer Aided Design
CAM	Computer Aided Manufacturing
Carat/ Karat	A measure of purity of Gold
CCTV	Closed Circuit Television
GDP	Gross Domestic Product
Kg.	Kilo Gram
KW	Kilo Watts
GJEPC	Gems and Jewellery Export Promotion Council
QA/QC	Quality Assurance /Quality Control
G&J	Gems and Jewellery
GM	Gram
MG	Milligram

(D) Abbreviations

Term	Description
A/c	Account
Act or Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as amended from time to time
AGM	Annual General Meeting
ASBA	Application Supported by Blocked Amount
AS	Accounting Standards issued by the Institute of Chartered Accountants of India.
AY	Assessment Year
BG	Bank Guarantee
CAGR	Compounded Annual Growth Rate

Term	Description
CAN	Confirmation Allocation Note
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identity Number
CS	Company Secretary
Depositories	NSDL and CDSL
DCA	Department of corporate affairs
DIN	Director's Identification Number
DP ID	Depository Participant's Identification Number
EBIDTA	Earnings Before Interest, Depreciation, Tax and Amortization
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings Per Share i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
Financial Year/ Fiscal Year/ FY	The period of twelve months ended March 31 of that particular year
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there-under and as amended from time to time
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended.
FII	Foreign Institutional Investor (as defined under SEBI FII (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
FIs	Financial Institutions
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
Gov/Government/GOI	Government of India
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standard
ICSI	Institute of Company Secretaries of India
ICAI	Institute of Chartered Accountants of India
Indian GAAP	Generally Accepted Accounting Principles in India.
I.T. Act	Income Tax Act, 1961, as amended from time to time
INR/ Rs. / Rupees / ₹	Indian Rupees, the legal currency of the Republic of India
Ltd.	Limited
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended.
MOF	Minister of Finance, Government of India
MOU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer

Term	Description
NIFTY	National Stock Exchange Sensitive Index
NOC	No Objection Certificate
NR/ Non-Residents	Non-Resident
NRE Account	Non-Resident External Account
NRI	Non-Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA Regulations
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange
NTA	Net Tangible Assets
p.a.	Per annum
P/E Ratio	Price/ Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Person of Indian Origin
PLR	Prime Lending Rate
R & D	Research and Development
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time
RoNW	Return on Net Worth
RoC	Registrar of Companies
RTGS	Real Time Gross Settlement
SAT	Security appellate Tribunal
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to Time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI ICDR Regulations /ICDR Regulations/SEBI ICDR / ICDR	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time

Term	Description
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI Rules and Regulations	SEBI ICDR Regulations, SEBI (Underwriters) Regulations, 1993, as amended, the SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time, including instructions and clarifications issued by it from time to time.
Sec.	Section
Securities Act	The U.S. Securities Act of 1933, as amended.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small and Medium Enterprises
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The Government of a State of India
Stock Exchanges	Unless the context requires otherwise, refers to, the NSE Limited
STT	Securities Transaction Tax
TDS	Tax Deducted at Source
TIN	Tax payer Identification Number
UIN	Unique Identification Number
U.S. GAAP	Generally accepted accounting principles in the United States of America.
VCFs	Venture capital funds as defined in and registered with SEBI under SEBI VCF Regulations or SEBI AIF Regulations, as the case may be

(E) Forward Looking Statement

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

All statements contained in the Prospectus that are not statements of historical facts constitute “forward-looking statements”. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in the Prospectus regarding matters that are not historical facts. These forward-looking statements and any other projections contained in the Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- ❖ General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- ❖ Competition from existing and new entities may adversely affect our revenues and profitability;
- ❖ Political instability or changes in the Government could adversely affect economic conditions in India and consequently our business may get affected to some extent.
- ❖ Our business and financial performance is particularly based on market demand and supply of our products;
- ❖ The performance of our business may be adversely affected by changes in, or regulatory policies of, the Indian national, state and local Governments;
- ❖ Any downgrading of India’s debt rating by a domestic or international rating agency could have a negative impact on our business and investment returns;
- ❖ Changes in Government Policies and political situation in India may have an adverse impact on the business and operations of our Company;
- ❖ The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections “Risk Factors”, “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 20, 85 and 165 of this Prospectus, respectively. By their nature, certain market risk disclosures are only estimating and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views as of the date of this Prospectus and are not a guarantee of future performance.

These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although our Company believes 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. None of our Company, the Directors, the LM, or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. Our Company and the Directors will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

(F) Presentation of Financial, Industry and Market Data

Certain Conventions

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

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

Financial Data

Unless stated otherwise, the financial data in the Prospectus is derived from our restated financial statements of our Company for the financial year ended March 31, 2019, 2018 and 2017 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP and Guidance Note on “Reports in Company Prospectus”, as amended issued by ICAI, as stated in the report of our Statutory and Peer Reviewed Auditor, as set out in the chapter titled “*Restated Financial Information*” beginning on page 134 this Prospectus. Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year are to the twelve-month period ended March 31 of that year. In the Prospectus, 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, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the restated financial statements included in the 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 on the financial disclosures presented in the Prospectus should accordingly be limited.

Any percentage amounts, as set forth in the sections / chapters titled “*Risk Factors*”, “*Business Overview*” and “*Management's Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page numbers 20, 85 and 165, respectively, of this Prospectus and elsewhere in the Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP.

Industry and Market Data

Unless stated otherwise, industry data used throughout the Prospectus has been obtained or derived from industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that industry data used in the Prospectus is reliable, it has not been independently verified.

Further, the extent to which the industry and market data presented in the Prospectus is meaningful depends on the reader's familiarity with and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

Currency and units of presentation

In the Prospectus, unless the context otherwise requires, all references to;

- ‘Rupees’ or ‘₹’ or ‘Rs.’ or ‘INR’ or “₹” are to Indian rupees, the official currency of the Republic of India.

- 'US Dollars' or 'US\$' or 'USD' or '\$' are to United States Dollars, the official currency of the United States of America, EURO or "€" are Euro currency,

All references to the word 'Lakh' or 'Lac', means 'One hundred thousand' and the word 'Million' means 'Ten lacs' and the word 'Crore' means 'Ten Million' and the word 'Billion' means 'One thousand Million'.

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

SECTION II - OFFER DOCUMENT SUMMARY

SUMMARY OF BUSINESS

The Founder of our Company, Vijay Shah, had started a Proprietorship Concern in the name of M/s. Sona Hi Sona way back in 2000. The Proprietorship, then, was engaged in the business of Jewellery. He has been actively involved in the business of Jewellery since 2001 and with a vision to expand his business further. He, along with his wife, Alpaben Shah, incorporated a Company, “*Sona Hi Sona Jewellers (Gujarat) Private Limited*” as a private limited company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated February 09, 2010 bearing CIN U36910GJ2010PTC059513 issued by the RoC, Gujarat, Dadra and Nagar Haveli. Later, on September 09, 2010, the Company took over the entire business of the Sole Proprietorship which was founded by Vijay Shah in the year 2000, vide an *Agreement for Sale and Purchase of Business* dated September 09, 2010.

Our Company is into Job Work and Trading Business of Gold Jewellery and Ornaments. Our Company gets the job work done from outside for its own designs. However, our company does not perform any job work activity for other companies. Our Product Collection list includes Gold Jewellery with or without studded precious and semi-precious stones. Our Company offers our customers a broad variety of Gold Jewellery in order to cater to regional tastes. We also customize Jewellery on individual basis. The designing and job work of our products is done either in house or by third parties on job work basis. Apart from our own Jewellery we are also dealing in wholesale trading of branded Jewellery. We also deal in Real Diamond and Silver Jewellery and Ornaments. To reach up to the utmost customer satisfaction level, we design jewellery as per the Customer preference(s).

For more details please refer chapter titled “*Business Overview*” beginning on page 85 of this Prospectus

SUMMARY OF INDUSTRY

India's gems and jewellery sector is one of the largest in the world contributing 29 per cent to the global jewellery consumption. The market size of the sector is about US\$ 75 billion as of 2018 and is estimated to reach US\$ 100 billion by 2025. The sector is home to more than 300,000 gems and jewellery players, contributes about 7 per cent to India's Gross Domestic Product (GDP) and employs over 4.64 million employees. India's gems and jewellery sector contributes about 15 per cent to India's total merchandise exports. The overall net exports of gems and jewellery stood at US\$ 32.71 billion during FY18 registering a compound annual growth rate (CAGR) of 5.83 per cent over FY05; whereas gems and jewellery imports increased at a CAGR of 7.97 per cent from US\$ 11.63 billion in FY05 to US\$ 31.52 billion in FY18.

India is the world's largest centre for cut and polished diamonds in the world and exports 75 per cent of the world's polished diamonds. Today, 14 out of 15 diamonds sold in the world are either polished or cut in India. India exported US\$ 21.95 billion worth of cut and polished diamonds in April 2018-February 2019*.

India is the largest consumer of gold in the world. Rising middle class population and increasing income levels are the key drivers for the demand of gold and other jewellery in India. Gold demand in India rose 11 per cent year-on-year to 760.40 tonnes during January-December 2018. Also, the Government of India has permitted 100 per cent Foreign Direct Investment (FDI) in the sector under the automatic route. As of January 2018, the Reserve Bank of India (RBI) has increased the scope of the gold-monetisation scheme by allowing charitable institutions and government entities to deposit gold, which is expected to boost deposits over the coming months. The Bureau of Indian Standards (BIS) has revised the standard on gold hallmarking in India from January 2018, to include a BIS mark, purity in carat and fineness as well as the unit's identification and the jeweller's identification mark on gold jewellery. The move is aimed at ensuring a quality check on gold jewellery.

For more details please refer chapter titled “Industry Overview” beginning on page 76 of this Prospectus

PROMOTERS

The Promoters of our Company are Vijay Shah and Alpaben Shah.

ISSUE SIZE

The Issue size comprises of issuance of 45,00,000 Equity Shares of face value of ₹ 10 each fully paid-up for cash at price of ₹ 10/- per Equity Share aggregating to ₹ 450 Lakhs. The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on June 18, 2019 and approved by the shareholders of our Company vide a special resolution at the EGM held on June 19, 2019 pursuant to section 62(1)(c) of the Companies Act.

OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds for the following objects (“*Objects of the Issue*”):

(₹ in Lakhs)

Sr No	Particulars	Estimated Amount
1.	Meeting incremental working capital requirements	372.43
2.	General corporate purposes	44.77
	Total utilization of net proceeds	417.20

***the amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the issue*

PRE-ISSUE SHAREHOLDING OF PROMOTERS AND PROMOTER GROUP

Sr. No.	Name of the Shareholder	Pre – Issue	
		No. of shares	% of pre-Issue capital
	Promoter		
1.	Vijay Shah	57,05,400	46.44
2.	Alpaben Shah	17,89,700	14.57
	Total (A)	74,95,100	61.01
	Promoter Group		
3.	Jayesh Shah	10,50,000	8.55
4.	Jirawala Association	21,73,500	17.69
5.	Devila Shah	2,52,250	2.05
6.	Sonal shah	250	0.002
7.	Chinulal Shah	13,14,000	10.70
	Total (B)	47,90,000	38.98
	Grand Total (A+B)	1,22,85,100	99.998

SUMMARY OF FINANCIAL INFORMATION

(₹ in Lakhs)

Particulars	For the year ended		
	2019	2018	2017
Share Capital	728.54	728.54	79.97
Networth	976.82	937.97	464.63
Revenue (total income)	6717.98	5,903.26	5,448.09
Profit after Tax	38.86	18.65	6.18
Earnings per share			

Particulars	For the year ended		
	2019	2018	2017
Basic	0.53	0.26	0.77
Diluted	0.53	0.26	0.15
Net Asset Value per Equity Share (in ₹)	13.41	12.87	58.10
Total borrowings			
Long Term Borrowings	18.11	1.11	115.30
Short Term Borrowings	1,212.48	1,277.11	635.67

QUALIFICATIONS OF AUDITORS

The Restated Financial Statements do not contain any qualification requiring adjustments by the Statutory Auditors.

SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPEMENTS

A summary of pending legal proceedings and other material litigations involving our Company is provided below:

Nature of Cases	Number of Cases	Total Amount Involved (In ₹)
Proceedings against our Company		
Civil	Nil	Nil
Criminal	Nil	Nil
Tax	1	1953/-
Proceedings by our Company		
Civil	Nil	Nil
Criminal	Nil	Nil
Tax	Nil	Nil
Proceedings against our Promoters		
Civil	Nil	Nil
Criminal	Nil	Nil
Tax	1	28855/-
Proceedings by our Promoters		
Civil	Nil	Nil
Criminal	Nil	Nil
Tax	Nil	Nil
Proceedings against our Directors other than our Promoters		
Civil	Nil	Nil
Criminal	Nil	Nil
Tax	Nil	Nil
Proceedings by our Directors		
Civil	Nil	Nil
Criminal	Nil	Nil
Tax	Nil	Nil
Proceedings against our Group Companies		
Civil	Nil	Nil
Criminal	Nil	Nil
Proceedings by our Group Companies		
Civil	Nil	Nil
Criminal	Nil	Nil

For further details, please refer chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 175 of this Prospectus.

RISK FACTORS

For details relating to risk factors, please refer section titled “*Risk Factors*” beginning on page 20 of this Prospectus.

SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

There were no contingent liabilities as on March 31, 2019

SUMMARY OF RELATED PARTY TRANSACTIONS

Nature of Transactions	For the Financial year		
	2018-19	2017-18	2016-17
1. Directors Remuneration			
Alpaben Vijay Shah	-	-	3.60
Vijay Chinubhai Shah	-	-	3.60
Total	-	-	7.20
2. Rent paid to concern in which KMP or their relative is interested			
Vijay Shah	2.16	2.16	2.40
Rupal Shah	2.16	2.16	2.40
Total	4.32	4.32	4.80
3. Loan given/ (Received) during the year to related parties			
Vijay Shah	-	(1.11)	0.47
Alpaben Shah	(17.00)	1.51	(85.30)
Total	(17.00)	0.40	84.43
<u>CLOSING BALANCE (Loan (Receivable)/Payable)</u>			
Vijay Shah	1.11	1.11	
Alpaben Shah	17.00	-	115.30
Total	18.11	1.11	115.30

FINANCING ARRANGEMENTS

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

WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES WERE ACQUIRED BY EACH OF OUR PROMOTERS IN THE ONE YEAR PRECEDING THE DATE OF THIS PROSPECTUS

The weighted average price at which the equity shares were acquired by each of our Promoters in the one year preceding the date of this Prospectus

Name	No of Shares Acquired	Weighted Average Cost of Acquisition per Equity Share (in ₹)
Vijay Shah	32,42,000	13.50
Alpaben Shah	1,92,000	13.50

Note: Our Promoters in last one year have acquired shares pursuant to conversion of unsecured loan into equity. Therefore, the weighted Average price for acquisition is same that of the issue price for the allotment made to them.

AVERAGE COST OF ACQUISITION

The average cost of acquisition per Equity Share to our Promoters as at the date of this Prospectus is:

Name of the Promoters	Average Cost of Acquisition per Equity Share (in ₹)
Vijay Shah	13.78
Alpaben Shah	11.86

DETAILS OF PRE-ISSUE PLACEMENT

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Prospectus till the listing of the Equity Shares.

ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR

Except as set out below, our Company has not issued Equity Shares for consideration other than cash in last one year:

Date of Allotment	No. of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Reason / Nature of Allotment	Person to whom Allotment were made
October 01, 2010	14,000	10	50	Pursuant to Business Transfer Agreement	1) Vijay Shah
July 22, 2017	6,38,370	10	62	Conversion of unsecured loan into Equity Shares	1) Vijay Shah 2) Alpaben Shah
July 26, 2017	57,52,280	10	NA	Bonus Issue (4:1)	1) Vijay Shah, 2) Alpaben Shah, 3) Jayesh Shah, 4) Rupal Shah, 5) Devila Shah, 6) Sonal Shah and 7) Jirawala Association
July 31, 2017	95,000	10	62	Conversion of unsecured loan into Equity Shares	1) Vijay Shah
June 17, 2019	34,34,000	10	13.50	Conversion of unsecured loan into Equity Shares	1) Vijay Shah 2) Alpaben Shah

SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

Our Company has not undertaken a split or consolidation of the Equity Shares in the one (1) year preceding the date of this Prospectus

SECTION III – RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all of the information in this Prospectus, including the risks and uncertainties described below and the Financial Statements incorporated in this Prospectus, before making an investment in the Equity Shares of our Company. Any potential investor in, and subscribers of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in other countries. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the risks involved. If any or some combination of the following risks occur or if any of the risks that are currently not known or deemed to be not relevant or material now, actually occur, our business, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment. For further details, please refer to chapters titled “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 85 and 165, respectively of this Prospectus, as well as the other financial and statistical information contained in this Prospectus. If our business, results of operations or financial condition suffers, the price of the Equity Shares and the value of your investments therein could decline.

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

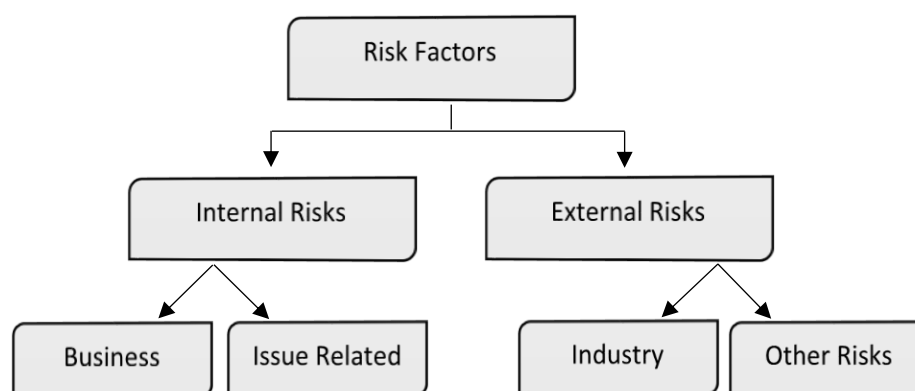
- Some risks may not be material at present but may have a material impact in the near future.*
- Some risks may not be material individually but may be found material when considered collectively*
- Some risks may have material impact qualitatively and not quantitatively and vice-versa*

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

This Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. For further details, please refer to chapter titled “Forward-Looking Statements” beginning on page 11 of this Prospectus.

Unless otherwise indicated, all financial information included herein are based on our Financial Statements. Please refer to the section titled “Financial Statements” beginning on page 134 of this Prospectus.

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



INTERNAL RISKS

Business Related Risks:

1. ***There are outstanding litigation involving our Company, the Promoters and the Group Companies, which, if determined adversely, may affect their business and operations and our reputation.***

Our Company, Promoters, Directors and Group Companies are involved in certain legal proceedings at different levels of adjudication before various courts, tribunals and appellate authorities. In the event of adverse rulings in these proceedings or consequent levy of penalties by other statutory authorities, our Company, Directors, Promoters or Group Companies may need to make payments or make provisions for future payments, which may increase expenses and current or contingent liabilities and also adversely affect our reputation.

In the ordinary course of business, our Company and our Promoters are involved in certain legal proceedings, which are pending at varying levels of adjudication at different forum. The summary of outstanding matters set out below includes details of civil proceedings, criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation involving our Company, Promoters, Directors and our Group Company.

According to the Materiality Policy, any outstanding litigation, other than criminal proceedings, statutory or regulatory actions and taxation matters, is considered material if the monetary amount of claim by or against the entity or person in any such pending matter is in excess of ₹ 3.89 Lakhs or if an adverse outcome of any such litigation could materially and adversely affect our business, prospects, operations, financial position or reputation.

Nature of Cases	Number of Cases	Total Amount Involved (In ₹)
Proceedings against our Company		
Civil	Nil	Nil
Criminal	Nil	Nil
Tax	1	1953/-
Proceedings by our Company		
Civil	Nil	Nil
Criminal	Nil	Nil
Tax	Nil	Nil
Proceedings against our Promoters		
Civil	Nil	Nil
Criminal	Nil	Nil
Tax	1	28855/-
Proceedings by our Promoters		

Nature of Cases	Number of Cases	Total Amount Involved (In ₹)
Civil	Nil	Nil
Criminal	Nil	Nil
Tax	Nil	Nil
Proceedings against our Directors other than our Promoters		
Civil	Nil	Nil
Criminal	Nil	Nil
Tax	Nil	Nil
Proceedings by our Directors		
Civil	Nil	Nil
Criminal	Nil	Nil
Tax	Nil	Nil
Proceedings against our Group Companies		
Civil	Nil	Nil
Criminal	Nil	Nil
Proceedings by our Group Companies		
Civil	Nil	Nil
Criminal	Nil	Nil

Brief details of such outstanding litigation as of the date of this Prospectus are set forth in chapter "Outstanding Litigation and Material Developments" on page 175 of this Prospectus. We cannot assure you that any of the legal proceedings described above will be decided in favor of the Company, the Promoters, Directors and the Group Companies, respectively. Further, the amounts claimed in these proceedings have been disclosed to the extent ascertainable, excluding contingent liabilities and include amounts claimed jointly and severally. Should any new developments arise, such as a change in Indian law or rulings by appellate courts or tribunals, additional provisions may need to be made by us, the Promoters, the Directors and the Group Companies in our respective financial statements, which may adversely affect our business, financial condition and reputation. We may incur significant expenses and management time in such legal proceeding. Decisions in any of the aforesaid proceedings adverse to our interests may have an adverse effect on our business, future financial performance and results of operations.

2. We do not own our Registered office and the Show Room from which we operate.

Our registered Office and the Show room, located at 7, Millenium Plaza, Opp. Swaminarayan Mandir, Mansi Cross Road, Vastrapur, Ahmedabad Gujarat – 380013, India is not owned by our Company and is taken on lease from Vijay Shah and Rupalben Shah for a period of 5 years commencing from April 01, 2019 and expires on March 31, 2024. However, the agreement can be extended and renewed, but cannot assure you that such extension will be at terms favorable to the company or extendable at all. In an adverse scenario, we may have to shift our Registered office and the show room to different premises, the terms of which may not be suitable for company. Such situation may adversely impact our business operations.

3. Our Company requires significant amount of Working Capital for a continuous growth. Our inability to meet the working capital requirement may have an adverse effect on the operations as well as profitability of the Company.

Our Business is working capital intensive and the growth of business depends upon the Inventory maintained by the Company. Significant portion of funds of the Company is utilized in Inventory.

(₹ in Lakhs)

Particulars	2018-19	2017-2018	2016-2017
Current Assets			
Inventory	1484.29	1601.42	1173.56
Trade Receivables	696.56	579.78	--
Short Term Loans and Advances	5.70	10.13	1.12
Cash and Bank Balance	19.73	18.75	21.05
Total Currents Assets (A)	2206.28	2210.08	1195.73
Less: Current Liabilities			
Trade Payables	--	--	--
Other Liabilities	1.69	1.19	1.05
Short Term Provisions	15.30	13.10	3.19
Total Current Liabilities (B)	16.99	14.29	4.24
NET WORKING CAPITAL REQUIREMENTS (A-B)	2189.29	2195.79	1191.49

Our Company intends to continue growing by expanding our operation and geographical reach. All these factors require huge inventory and maintain of the inventory in very effective manner. Our inability to maintain sufficient cash flow and credit facility in timely manner could adversely affect our operation and profitability of the Company. For Further details regarding working capital requirement, please refer to the Chapter titled “Objects of the Issue” on page 64 of this Prospectus.

4. Inventories form a substantial part of our current assets and net worth. Failure to manage our inventory could have an adverse effect on our net sales, profitability, cash flow and liquidity.

Our total inventory was ₹ 1484.29 Lakhs against the total sales of ₹ 6717.98 Lakhs for the Year ended on March 31, 2019 and ₹ 1601.42 Lakhs against the total sales of ₹ 5903.26 Lakhs for the year ended on March 31, 2018, which is 22.09% and 27.13% of total sales respectively. Our main business income comes from the wholesale customers. We need inventory of jewellery of antique and running designs for wholesale business. Our results of operations are dependent on our ability to effectively manage our inventory. We must be able to accurately estimate customer demand and supply requirements and purchase new Jewellery to effectively manage our inventory. If our management has misjudged expected customer demand it could adversely impact the results by causing either a shortage of Jewellery or an accumulation of excess inventory. Further, if we fail to sell the inventory, purchased by us, we may incur loss pertaining to the labour charges of such unsold materials and will also result in blockage of working capital thereby incurring loss of interest income, which would have an adverse impact on our income as well as cash flows.

5. Our top ten customers contribute approximately 93.92% of our revenues for the period ended March 31, 2019. Any loss of business from one or more of them may adversely affect our revenues and profitability.

Our top ten customers contribute approximately 93.92% and 99.14% of our revenues for the period ended March 31, 2019 and March 31, 2018. Any decline in our Quality standards, growing competition and any change in the demand for our services by these customers may adversely affect our ability to retain them. We cannot assure 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 revenues and profitability. However, the composition and revenue generated from these clients might change as we continue to add new clients in normal course of business. We intend to retain our customers by offering solutions to address specific needs in a proactive, cost effective and time efficient manner. This helps us in providing better value to each customer thereby increasing our engagement with our new and existing customer base that presents a substantial opportunity for growth. For further of our ten top customers, please refer chapter titled “Management’s Discussion & Analysis of Financial Conditions & Results of Operations” beginning on Page 165 of this Prospectus.

6. ***Our Showroom is geographically located in one area, i.e. Mansi Cross Road, Vastrapur, Ahmedabad, Gujrat and any localized social unrest, natural calamities, distress, etc. could have material adverse effect on the business and financial operations.***




Our Showroom is based in Mansi Cross Road, Vastrapur, Ahmedabad, Gujrat. As a result, any localized social unrest, natural calamities, distress or breakdown of services and utilities in and around Mansi Cross Road, could have material adverse effect on our business, financial position and results of operations. Further, any continuous addition of industries in and around Mansi Cross Road, without commensurate growth of its infrastructural facilities may put pressure on the existing infrastructure in Mansi Cross Road, which may affect our business.

7. ***Our Group Company, M/s Laxmi Goldorna House Limited, operates in the similar line of business as us, which may lead to competition with such Group Company.***

Our Group Company, M/s Laxmi Goldorna House Limited is involved in line of business that may potentially compete with our Company or is authorized to carry out business, similar to that of our Company. We may hence have to compete with our Group Company for business, which may impact our business, financial condition and results of operations. The interests of our Promoters or Promoter Groups may also conflict in material aspects with our interests or the interests of our shareholders. For further details, please refer “Promoter / Principal Shareholder” and “Information with respect to Group Companies” beginning on page no. 126 and 181 of this Prospectus. Further, our Promoters may become involved in ventures that may potentially compete with our Group Company. The interests of our Promoters or Promoter Groups may conflict with the interests of our other Shareholders and our Promoters may, for business considerations or otherwise, cause our Company to take actions, or refrain from taking actions, in order to benefit themselves instead of our Company's interests or the interests of its other Shareholders and which may be harmful to our Company's interests or the interests of our other Shareholders, which may impact our business, financial condition and results of operations.

We have not entered into any non-compete agreement with our Promoters and/or Promoter Groups and/or our Group Entities. We cannot assure you that our Promoters and/or our Group Entities and/or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition.

8. ***We have not obtained the registration of our trademarks used in our businesses and our inability to obtain or maintain these registrations may adversely affect our competitive business position***

Our Corporate logo “  **SONA HI SONA** ” and our Brand logo “  **Freya** ” and “  **JINANSH** ” are not registered and we have made an application for registration with the Trademark Registry. Till the Trademarks are not granted, we do not enjoy the statutory protections accorded to a registered trademark and are subject to the various risks arising out of the same, including but not limited to infringement or passing off our name and logo by a third party.

For further details, please refer the chapter titled “Government and Other Statutory Approvals” on page 179 of this Prospectus. The application made for registration of all the three Trademarks is currently *pending for approval*. The registration of any trademark is a time-consuming process, and there can be no assurance that any such registration will be granted as and when applied. In the absence of such registration, competitors or other companies may challenge the validity or scope of our intellectual property. These trademarks are integral to our business, and the loss of any of these intellectual property rights could have a material adverse effect on our business. There can be no assurance that we will be able to obtain the registration of our trademarks in a timely manner, or at all. If any of our unregistered trademarks are registered in favour of a third party, we may not be able to claim registered ownership of such trademarks and consequently, we may be unable to seek

remedies for infringement of those trademarks by third parties other than relief against passing off by other entities. If our application is objected, we will not have the right to use this trademark or prevent others from using this trademark or its variations. Our inability to obtain or maintain this trademark in our business thus could adversely affect our reputation, goodwill, business and results of operations

9. The Company is dependent upon few Suppliers for purchase of major portion of our Raw Material.

The main raw material is gold and our top ten suppliers contribute 93.89% and 79.62% of our total purchases for the year ended March 31, 2019 and March 31, 2018 respectively. The discontinuation of any of this large supplier will not significantly affect our operations, revenue and profitability as the raw material can be procured easily from other suppliers.

10. There are no long-term supply agreements with our vendors/suppliers. Our Business may be adversely affected if there is any disruption in the raw material supply or due to non-availability of raw material.

We do not have any long-term agreements with our vendors/suppliers; we operate on a purchase order system. In absence of any formal contract with our vendors/suppliers, we are exposed to the risks of irregular supplies or no supplies at all or delayed supplies or price variation which would materially affect our results of operations. In the event of any disruption in the raw material supply or the non-availability of raw material in the required quantity and quality from alternate source, the production schedule may be adversely affected impacting the sales and profitability of the Company.

11. We face significant competition. Any failure to compete effectively may have a material adverse effect on our business and operations.

In India jewellery industry is highly divided between organised sector and unorganized sector. If we fail to create a position or our existing position deteriorates, the operating results or financial condition will get adversely affected. Aggressive discounting and marketing by competitors may also adversely impact our performance for a temporary period. We may in future experience increase competition from existing or new wholesale traders of jewellery industry. Due to increase in competition, we may temporarily experience downward pressure on prices, lower demand for our products, reduced margins and a loss of market share, all of which would have an adverse impact on our business and results of operations.

12. We have had certain inaccuracy in relation to regulatory filings to be made with the RoC and our company has made non-compliances of certain provision under applicable law.

Our Company has in the past not complied with certain provisions of the Companies Act, 1956 and the Companies Act, 2013. For instance, the forms which were filed with the Registrar of Companies have some factual discrepancy and errors and also belatedly filed.

Sr. No.	Form	Due date of filing	Purpose of filing the form
1.	AoC -4	September 28, 2017	Financial statements
2.	MGT-7	September 28, 2017	Annual Return
3.	DIR-12	September 28, 2017	Regularisation of Directors
4.	AoC -4	September 28, 2018	Financial statements
5.	MGT-7	September 28, 2018	Annual Return
6.	MGT-14	January 02, 2019	Board Resolution approving Increase in Borrowing powers and acceptance of loan
7.	MGT-14	January 17, 2019	Shareholder Resolution approving Increase in Borrowing powers and acceptance of loan

Although no show cause notice have been issued against the Company till date in respect of above, in the event of any cognizance being taken by the concerned authorities in respect of above, penal actions may be taken against the Company and its directors, in which event the financials of the Company and its directors may be affected.

13. *We may not be able to implement our growth strategy successfully.*

We may not be able to achieve our planned rate of expansion for our jewellery business. If we are unable to implement our growth strategies successfully, our future growth in income and profits may be adversely affected. In order to expand our business operations successfully, we should enhance our production capacity and access new markets and operate in a profitable manner. If we are unable to access new markets or introducing new designed jewellery in timely manner, it is likely to affect our ability to meet these expansion plans.

There can be no assurance that we will be able to achieve our expansion goals, in a timely manner, or at all, or that our expansion plans will be profitable. If we fail to continue to improve our infrastructure or managerial capacity and manpower our growth rate and operating results could be adversely affected.

14. *Any fluctuation and variation in price and supply of gold, which is a major raw material for the manufacture of our products, could adversely impact our income.*

Gold is the primary raw materials used for our business. Price of gold is volatile in nature and is linked to the international commodity indices. Although we source gold and sell our products on an unfixed basis, any decrease in the prices of gold shall result in the consequent decrease in the price of inventory held in stock. Such uncertainty of gold price may have adverse impact on financial position and profitability of our company.

15. *The RBI has advised banks to classify accounts of jewellers as ‘high-risk’, requiring banks to apply enhanced due diligence before granting loans to jewellers.*

This may adversely affect our ability to obtain financing in a timely manner and on acceptable terms, or at all. By a circular dated December 30, 2010, RBI has advised banks to classify accounts of jewellers as ‘high-risk’, requiring banks to apply enhanced due diligence measures before granting loans to jewellers. Further, pursuant to such categorization, accounts of jewellers are subject to intensified monitoring by banks. These developments may adversely affect availability of bank credit to the Jewellery sector in general and may lead to higher cost of bank credit, as banks may charge higher rates of interest and demand enhanced security from jewellers. This may adversely affect our ability to obtain adequate financing in a timely manner and on acceptable terms, or at all, and further may substantially raise our interest costs, which may have an adverse effect on our business, results of operations and financial condition.

16. *We are subject to restrictive covenants under our credit facilities that could limit our flexibility in managing our business operations.*

There are restrictive covenants in the agreements we have entered into with our lenders. The agreements governing certain of our debt obligations include terms that require us to, among other things, take prior approval of our lenders for undertaking any change in capital structure, pledge, lien, consolidation, reorganization, dissolution, amendment or modification of our charter documents, etc. Such restrictive covenants in our loan documents may restrict our operations or ability to expand and may adversely affect our business. For details of these restrictive covenants, see the chapter titled “Financial Indebtedness” on page 173 of this Prospectus.

17. *If we fail to develop and introduce new jewellery designs that achieve customer acceptance could result in a loss of market opportunities.*

As on date, we developed design of our jewellery in house or sometimes we may get the design prepared outside on job work basis. As such we are responsible for introducing new and innovative designs. Our business highly depends on innovative designs to meet the expectations of our customers. The new design developed for the prospective customer may not be acceptable and unable to meet the preferences of customers or their requirement which could result into obsolete

inventory. In addition to this, due to the competitive nature of the jewellery market in which we operate, the innovative designs remain the key differentiators, which normally possess short life span.

18. *Our business is occasional in nature with significant sales during the festive season and other significant seasons. In case, we are unable to cope up with the demand during this time, then our revenues and profitability will be affected and have a negative effect on our image.*

Our business is occasional in nature with a significant proportion of our sales generated during the festive seasons like Diwali season, Valentine's Day, Raksha Bandhan, AkshayTritiya, Guru Pushya Nakshatra, Christmas etc. and during Marriage seasons. If our Company is unable to cope up with the demand and requirement of the customers during the Festive and Marriage seasons, our profitability will be adversely affected on account of reduction of sales. Further we may not be able to recover the shortfalls of sales of such periods. We expect to continue to experience a seasonal fluctuation in our sales and income. We have limited ability to compensate for shortfalls in our sales or income during such periods by introducing changes in operations and strategies for rest of the year, or to recover from any extensive disruption, i.e. due to sudden adverse changes in consumer confidence, global pricing of gold, lower disposable income, etc. A significant shortfall in sales during these periods would therefore be expected to have a material adverse effect on our results of operations.

19. *We have entered into certain transactions with related parties. These transactions or any future transactions with our related parties could potentially involve conflicts of interest.*

We have entered into certain transactions with related parties with our Directors, their relatives, Group Entities and may continue to do so in future. Our Company has entered into such transactions due to easy proximity and quick execution. However, there is no assurance that we could not have obtained better and more favourable terms than from transaction with related parties. Additionally, our company trusts that all our related party transactions have been conducted on an arm's length basis, but we cannot provide assurance that we could have achieved more favourable terms had such transactions been entered with third parties. Our Company may enter into such transactions in future also and we cannot assure that in such events there would be no adverse effect on results of our operations, although going forward, all related party transactions that we may enter will be subject to board or shareholder approval, as under the Companies Act, 2013 and the Listing Regulations. For details of transactions, please refer to "Annexure X" Related Party Transactions" on page 161 of Restated Financial Information.

20. *We get of our jewellery manufactured on job work basis from third party manufacturers.*

The operations of our Company are subject to manufacturing risk by failure in the facilities which may further result in delay in supply of our products. We get our jewellery manufactured on job work basis from third party manufacturers. Due to the nature of its business and despite compliance with requisite safety requirements and standards, the operations of our Company are subject to operating risks associated with jewellery manufacturing. Operating risks to our job workers may include personal injury and property damage and in the imposition of civil and criminal penalties. The occurrence of any of these events could have a material adverse effect on our business, financial condition and future results of operations of our Company. Also, the manufacturing facilities of our third-party manufacturers are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, earthquakes other natural disasters and industrial accidents. Occurrence of any of the aforesaid instance may result in delay as our suppliers may not be able to deliver the products in a timely manner in such cases and such delays could adversely affect our business.

21. Our failure to keep up with industry trends may affect our results of operations.

Jewellery companies and industry has been continuously adding new products. Although we have maintained a high portfolio of designs and keep pace with the consumers' requirements, we cannot assure you that we shall be able to consistently keep up with industry trends which may adversely affect our results of operations. Introduction of any new portfolios in jewellery makes and designs may affect our current business. Further, we have not entered into any confidentiality or non-disclosure agreement with any of our job workers and consequently, our jewellery designs may be shared openly in the market which may damage our results of operations.

22. Our Promoters, Directors and key Managerial Personnel 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 and benefits deriving from their shareholding in our Company. Our Promoter are interested in the transactions entered into between our Company and themselves as well as between our Company and our Group Entities. For further details, please refer to the chapters titled "Business Overview" and "Promoters / Principal Shareholders", beginning on page 85 and 126 respectively and the refer "Annexure X - Related Party Transactions" on page 161 under chapter titled "Restated Financial Statements" beginning on page 134 of this Prospectus.

23. There is no monitoring agency appointed by Our Company and the deployment of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by our Audit Committee.

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above ₹ 100 crores. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SME Listing Agreement. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to NSE.

24. We have unsecured loans from directors and relatives of directors, which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our business operations.

As per our restated financial statements, as on March 31, 2019 we have unsecured loan of ₹ 18.11 lakhs from directors and relatives of directors which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our liquidity and business operations. For further details of these unsecured loans, please refer to Chapter titled "Restated Financial Statements" beginning on page 134 of this Prospectus.

25. We have experienced negative cash flows in previous years / periods. Any operating losses or negative cash flow in the future could adversely affect our results of operations and financial condition.

Our Company had negative cash flows from our operating activities in the previous years as per the Restated Financial Statements and the same are summarized as under.

(₹ in Lakhs)

Particulars	2019	2018	2017
Net Cash Generated from Operating Activities	202.30	(868.05)	106.44

Cash flow of a Company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and to make new investments without raising finance from external resources. Any operating losses or negative cash flows could adversely affect

our results of operations and financial conditions. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

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

Our Promoters and Promoter Group have provided personal guarantees as security to secure our existing borrowings taken from different Banks and may continue to provide such guarantees and other security post listing. In case of a default under our loan agreements, any of the personal guarantees provided by our Promoters/Promoter Group may be invoked and/ or the security may also be enforced, which could negatively impact the reputation and net worth of the Promoters. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. In addition, our Promoters and Promoter Group may be required to liquidate their shareholding in our Company to settle the claims of the lenders, thereby diluting their shareholding in our Company. We may also not be successful in procuring alternate guarantees/ alternate security satisfactory to the lenders, as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. However, we are following policy of complying with all terms and conditions of loan agreements and we ensure timely compliance of its terms. For further details regarding loans availed by our Company, please refer “*Business Overview*” on page 85 of this Prospectus.

27. *Our success depends heavily upon our Promoter and Senior Management for their continuing services, strategic guidance and financial support.*

Our success depends heavily upon the continuing services of Mr. Vijay Shah and Mrs. Alpaben Shah who are the natural persons in control of our Company. They currently serve as our Chairman and Managing Director and Chief Financial Officer & Whole Time Director and their experience and vision had played a key role in obtaining our current reputation and status in the market. We would depend significantly on our Key Managerial Persons for continuing our business operations successfully. If any member of the senior management team is unable or unwilling to continue in his present position, we may not be able to replace him easily or at all, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

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

We have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this Issue which may delay in the implementation schedule and could adversely affect our growth plans. For further details of object of Issue and schedule of implementation please refer to the chapter titled “*Objects of the Issue*” on page 64 of this Prospectus.

29. *Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, restrictive covenants and capital expenditures.*

Our future ability to pay dividends will depend on our earnings, financial condition and capital requirements. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. There can be no assurance that we will generate sufficient income to cover the operating expenses and pay dividends to the shareholders. Our ability to pay dividends will also depend on our expansion plans. We may be unable to pay dividends in the near or medium term, and the future dividend policy will depend on the capital requirements and financing arrangements for the business plans, financial condition and results of operations. For details of our dividend history, see “*Dividend Policy*” on page 133 of this Prospectus.

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

Post this Issue, our Promoter and Promoter Group will collectively own 73.19% of our equity share capital. As a result, our Promoter, together with the members of the Promoter Group, will continue to exercise a significant degree of influence over Company and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act, 2013 and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

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

31. *Our business depends, in part, on factors affecting consumer spending that are out of our control.*

Jewellery purchases are discretionary and are often perceived to be a luxury purchase. Our business is sensitive to a number of factors that influence consumer spending. In addition, we compete with other retail categories, for e.g. electronics, travel and other FMCG products for consumers' discretionary expenditure. Therefore, the price of jewellery relative to other products influences the proportion of consumers' expenditure that is spent on jewellery. Other factors include general economic conditions, consumer confidence in future economic conditions and political conditions, recession and fears of recession, consumer debt, disposable consumer income, conditions in the housing market, consumer perceptions of personal well-being and security, fuel prices, inclement weather, interest rates, sales tax rate increases, inflation, and war and fears of war. Most of our customers are individuals who purchase jewellery for personal use and who are generally less financially resilient than the corporate entities. In particular, an economic downturn may lead to decreased discretionary spending, which can adversely impact the luxury retail operations and lead to declining income and losses for our business, resulting in a continued reduction in our sales and further harming our business and results of operation.

32. *We operate in a highly competitive environment and face competition in our business from organized and unorganized players, which may be adversely affect our business operation and financial condition.*

The market for our products is competitive on account of both the organized and unorganized players. Players in this industry generally compete with each other on key attributes such as inventory level, quality of products, reputation and brand value, customer base, pricing and timely delivery. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and remain competitive. Moreover, the unorganized sector offers their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition. Additionally, we face competition through e-commerce retailers. E-commerce platforms not only provide medium to the unorganised sector to showcase their products but also provide a substantial visibility and as a result could have more established presence vis-à-vis compared to us.

33. *Our Company has not obtained Lenders consent*

Under our financial arrangement with our creditor, we are required to obtain the prior written consent for, amongst other matters, changes in the capital structure of the Company. We have made an application to obtain written consent, as required, from our Creditor, however we haven't received the consent from them as on the date of this Prospectus. Failure to obtain the same before going for ROC approval will thereby restrict us from opening the Issue.

34. *Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject and this may have a material effect on our business and financial condition.*

While we maintain insurance, coverage related to our Stocks and other insurance for movable assets. We may not have sufficient insurance coverage to cover all possible economic losses, including when the loss suffered is not easily quantifiable and in the event of severe damage to our business. Even if we have made a claim under an existing insurance policy, we may not be able to successfully assert our claim for any liability or loss under such insurance policy. Additionally, there may be various other risks and losses for which we are not insured either because such risks are uninsurable or not insurable on commercially acceptable terms. The occurrence of an event for which we are not adequately or sufficiently insured could have an effect on our business, results of operations, financial condition and cash flows.

In addition, in the future, we may not be able to maintain insurance of the types or at levels which we deem necessary or adequate or at rates which we consider reasonable. The occurrence of an event for which we are not adequately or sufficiently insured or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an effect on our business, results of operations, financial condition and cash flows.

For further details of our Insurance Policies, please refer chapter titled "*Business Overview*" beginning on Page 85 of this Prospectus

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

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

36. *Fraud, theft, employee negligence or similar incidents may adversely affect our results of operations and financial condition.*

We maintain large amounts of inventory at our premises at all times. Although we have set up security measures, our operations may be subject to incidents of theft or damage to inventory. There can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future which could adversely affect our results of operations and financial condition. Additionally, in case of losses due to theft, fire, breakage or damage caused by other casualties, there can be no assurance that we will be able to recover from our insurer the full amount of any such loss in a timely manner, or at all. If we incur a significant inventory loss due to third-party or employee theft and if such loss exceeds the limits of, or is subject to an exclusion from, coverage under our insurance policies, it could have a material adverse effect on our business, results of operations and financial condition. In addition, if we file claims under an insurance policy it could

lead to increases in the insurance premiums payable by us or the termination of coverage under the relevant policy.

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

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

38. *We have not independently verified certain data in this Prospectus.*

We have not independently verified data from the Industry and related data contained in this Prospectus and although we believe the sources mentioned in the report to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, its economy or the industries in which we operate that is included herein are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete, inaccurate or unreliable. Due to incorrect or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

Issue Related Risks:

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

The Offer Price of our Equity Shares has been determined by fixed price method. This price is based on numerous factors and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Offer Price. Among the factors that could affect our share price include without limitation. The following:

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

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

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

- 41. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. Further we have not identified any alternate source of financing the Objects of the Issue. Any shortfall in raising / meeting the same could adversely affect our growth plans, business operations and financial condition.***

As on date of this Prospectus, we have not made any alternate arrangements for meeting our capital requirements for some of the objects of the issue. We meet our capital requirements through our bank finance, debts, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this offer or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled "Objects of the Issue" beginning on page 64 of this Prospectus.

- 42. *Within the parameters as mentioned in the chapter titled "Objects of the Issue" beginning on page 64 of this Prospectus, our Company's management will have flexibility in applying proceeds of the Issue. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any monitoring agency.***

We intend to use fresh Issue Proceeds towards incremental working capital requirements. We intend to deploy the Net Issue Proceeds in Financial Year 2019-20 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the fresh Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Issue Proceeds, please refer chapter titled "Objects of the Issue" beginning on page 64 of this Prospectus. The deployment of funds for the purposes described above is at the discretion of our Company's Board of Directors. The fund requirement and deployment are based on internal management estimates and has not been appraised by any monitoring agency. Accordingly, within the parameters as mentioned in the chapter titled "Objects of the Issue" beginning on page 64 of this Prospectus, the management will have flexibility in applying the proceeds received by our Company from the Issue. However, the company shall comply with Section 27 of the Companies Act, 2013 before varying the Objects of the Issue. The Audit Committee is responsible to monitor the utilisation of the proceeds of this Issue.

- 43. *The objects of the issue for which funds are being raised, are based on our management estimates and any bank or financial institution or any independent agency has not appraised the same. The deployment of funds in the project is entirely at our discretion, based on the parameters as mentioned in the chapter titled "Objects of the issue".***

The fund requirement and deployment, as mentioned in the "Objects of the Issue" beginning on page 64 of this Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter "Objects of the Issue" is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter "Objects of the Issue" will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

EXTERNAL RISKS

Industry Risks:

44. *Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.*

Our business and industry are regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

45. *Malpractices by some players in the industry affect overall performance of emerging Companies.*

The industry in which our Company operates is subject to risk associated with unethical business practices such as unethical marketing, dishonest advertising, questionable pricing practices, inaccurate claims with regards to safety and efficacy of the product etc. Consumers' attitude toward the industry today is dominated by a sense of mistrust, paving a way for regulators for stricter entry barriers and introduction of code of conducts; making the entire industry environment regulated and controlled. Malpractices by some players in the industry affects the overall performance of the emerging Companies like our as the industry norms are applicable to all at parity. Any unethical business practices by any industry player or intermediary may impact our business and results of operations.

Other Risks:

46. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business and financial performance.*

Our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Please refer to "Key Industry Regulations and Policies" beginning on page 98 for details of the laws currently applicable to us. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities. GST has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services such as central excise duty, service tax, central sales tax, state VAT and surcharge currently being collected by the central and state governments. The GST is expected to increase tax incidence and administrative compliance. Given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to the tax regime following implementation of the GST. The implementation of this new structure may be affected by any disagreement between certain state Governments, which could create uncertainty. Any future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

47. Any downgrading of India's debt and sovereign rating by an independent may harm our ability to raise financing.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rate and other commercial terms at which such additional financing may be available. This could have adverse effect on our business and future financial performance, its ability to obtain financing for capital expenditures and the price of our Equity Shares.

48. Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

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

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

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

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

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

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

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

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial

results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

53. *The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.*

Prior to this Issue, there has been no public market for our Equity Shares. Our Company and the Lead Manager have appointed NNM Securities Private Limited as Designated Market Maker for the equity shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments.

54. *There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the EMERGE Platform of "NSE" in a timely manner, or at all.*

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted unless the post issue formalities are completed after the Equity Shares have been issued. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the EMERGE Platform of "NSE". Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

55. *Conditions in the Indian Securities market may affect the price or liquidity of the Equity Shares.*

Indian stock exchanges have, in the past, experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, 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 increased 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.

SECTION IV - INTRODUCTION

(A) The Issue

Present Issue in terms of the Prospectus:

Particulars	Details of Equity Shares
Issue of Equity Shares by our Company	45,00,000 Equity Shares of face value ₹ 10 each fully paid up for at an Issue Price of ₹ 10/- each aggregating to ₹ 450.00 Lakhs
Of which:	
Reserved for Market Makers	2,40,000 Equity Shares of face value of ₹ 10 each fully paid up at an Issue Price of ₹ 10/- each aggregating to ₹ 24.00 Lakhs
Net Issue to the Public*	42,60,000 Equity Shares of face value of ₹ 10 each fully paid up at an Issue Price of ₹ 10/- each aggregating to ₹ 426.00 Lakhs
Of which	
Retail Portion	21,30,000 Equity Shares of face value of ₹ 10 each fully paid up at an Issue Price of ₹ 10/- each aggregating to ₹ 213.00 Lakhs
Non-Retail Portion	21,30,000 Equity Shares of face value of ₹ 10 each fully paid up at an Issue Price of ₹ 10/- each aggregating to ₹ 213.00 Lakhs
Equity Shares outstanding prior to the Issue	1,22,85,350 Equity Shares of ₹ 10/- each
Equity Shares outstanding after the Issue	1,67,85,350 Equity Shares of ₹ 10/- each
Use of Proceeds	For further details please refer chapter titled “Objects of the Issue” beginning on page no. 64 of the Prospectus for information on use of Issue Proceeds.

Notes

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details please refer to chapter titled ‘Issue Structure’ beginning on page no. 237 of this Prospectus.

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on June 18, 2019 and by the shareholders of our Company vide a special resolution passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the EGM held on June 19, 2019

*As per the Regulation 253 of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue the allocation in the net offer to the public category shall be made as follows:

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

Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

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

(B) Summary of Financial Information

ANNEXURE – I: RESTATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in Lakhs)

Sr. No.	Particulars	As at 31st March		
		2019	2018	2017
A.	Equity and Liabilities			
1	Shareholders' Funds			
	Share Capital	728.54	728.54	79.97
	Reserves & Surplus	248.28	209.43	384.66
	Share application money pending allotment	-	-	-
2	Non-Current Liabilities	-	-	-
	Long-Term Borrowings	18.11	1.11	115.30
	Other Non-Current Liabilities	-	-	-
	Deferred Tax Liabilities	-	0.40	0.31
3	Current Liabilities	-	-	-
	Short Term Borrowings	1,212.48	1,277.11	635.67
	Trade Payables	-	-	-
	Other Current Liabilities	1.69	1.19	1.05
	Short Term Provisions	15.30	13.10	3.19
	Total	2,224.40	2,230.88	1,220.15
B.	Assets			
1	Non-Current Assets			
	Fixed Assets	-	-	-
	Tangible Assets	7.61	10.34	13.48
	Intangible Assets	0.47	0.95	1.42
	Capital Work in Progress	-	-	-
	Non-Current Investments	9.50	9.50	9.50
	Deferred Tax Assets	0.54	-	-
	Long Term Loan and Advances	-	-	0.02
	Other non-current assets	-	-	-
		-	-	-
2	Current Assets	-	-	-
	Inventories	1484.29	1,601.42	1,173.56
	Trade Receivables	696.56	579.78	-
	Cash and Bank Balances	19.73	18.75	21.05
	Short-Term Loans and Advances	5.70	10.13	1.12
	Other Current Assets	-	-	-
	Total	2224.40	2,230.88	1,220.15

Note: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, II & III.

ANNEXURE – II: RESTATED STATEMENT OF PROFIT AND LOSS

(₹ in Lakhs)

Sr. No	Particulars	As at 31st March		
		2019	2018	2017
A.	Revenue:			
	Revenue from Operations	6717.98	5,903.12	5,448.00
	Other income	-	0.14	0.10
	Total revenue	6717.98	5,903.26	5,448.10
	Expenses:			
	Cost of Material Consumed	11.42	502.06	257.53
	Purchase of Stock in Trade	6366.58	5,697.31	5,090.32
	Changes in Inventories	105.72	(487.47)	(27.17)
	Employees Benefit Expenses	9.75	6.22	12.55
	Finance costs	153.32	116.18	84.31
	Depreciation and Amortization	3.57	3.61	3.69
	Other expenses	14.61	22.17	17.60
	Total Expenses	6664.96	5,860.07	5,438.82
	Profit/(Loss) before exceptional items and tax	53.03	43.19	9.28
	Exceptional Items	-	11.33	-
	Profit after exceptional items and before tax	53.03	31.87	9.28
	Tax expense:			
	Current tax	15.11	13.13	3.45
	Deferred Tax	(0.94)	0.09	(0.35)
	Profit/(Loss) for the period/ year	38.86	18.65	6.18
	Earning per equity share in ₹:			
	(1) Basic	0.53	0.26	0.77
	(2) Diluted	0.53	0.26	0.15

Note: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I & III.

ANNEXURE – III: RESTATED STATEMENT OF CASH FLOWS

(₹ in Lakhs)

Particulars	As at 31st March		
	2019	2018	2017
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit/ (Loss) before tax	53.03	31.87	9.28
Adjustments for:	-	-	-
Depreciation	3.57	3.61	3.69
Interest Expense	153.33	116.19	79.00
Deferred Tax	-	0.09	-
Expense for Increase Authorise Capital	-	11.33	-
Preliminary Expenses W/Off	-	-	0.13
Operating profit before working capital changes	209.93	163.09	92.10
Movements in working capital:	-	-	-
(Increase)/ Decrease in Inventories	117.14	(427.86)	(98.20)
(Increase)/Decrease in Trade Receivables	(116.77)	(579.78)	133.75
(Increase)/Decrease in Loans & Advances	4.43	(9.00)	0.20
(Increase)/Decrease in Other Current Assets/ Non-Current Assets	-	-	-
Increase/(Decrease) in Trade Payables	-	-	-
Increase/(Decrease) in Short Term Borrowings	-	-	-
Increase/(Decrease) in Other Current Liabilities	-	-	-
Increase/(Decrease) in Short Term Provisions	0.79	0.41	(17.83)
Cash generated from operations	215.52	(853.14)	110.02
Income tax paid during the year	13.22	3.58	3.45
Preliminary expense incurred	-	11.33	0.13
Net cash from operating activities (A)	202.30	(868.05)	106.44
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	(0.36)	-	(0.19)
Net cash from investing activities (B)	(0.36)	-	(0.19)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Interest paid on borrowings	(153.33)	(116.19)	(79.00)
Proceeds/(Repayment) of Long Borrowings	17.00	(114.19)	82.56
Proceeds of Share Capital	-	73.34	-
Proceeds/(Repayment) of Short Borrowings	(64.63)	641.44	(104.16)
Proceeds from Securities Premium	-	381.35	-
Net cash from financing activities (C)	(200.96)	865.75	(100.60)
Net increase in cash and cash equivalents (A+B+C)	0.98	(2.30)	5.65
Cash and cash equivalents at the beginning of the year	18.75	21.05	15.40
Cash and cash equivalents at the end of the year	19.73	18.75	21.05

SECTION V - GENERAL INFORMATION

Our Company was originally incorporated as “Sona Hi Sona Jewellers (Gujarat) Private Limited” as a private limited company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated February 09, 2010 bearing Corporate Identification Number U36910GJ2010PTC059513 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company was converted into a public limited Company pursuant to a special resolution passed by our shareholders at the EGM held on July 08, 2017 and consequently the name of our Company was changed to “Sona Hi Sona Jewellers (Gujarat) Limited” and a fresh certificate of incorporation was issued by the Registrar of Companies, Ahmedabad dated July 19, 2017. The Corporate Identification Number of our Company is U36910GJ2010PLC059513.

For further details, please refer the chapter titled “*History and Corporate Structure of the Company*” beginning on page 109 of this Prospectus.

Registered Office of our Company

Sona Hi Sona Jewellers (Gujarat) Limited

7, Millenium Plaza, Opp. Swaminarayan Mandir,
Mansi Cross Road, Vastrapur,
Ahmedabad – 380013, Gujarat, India

Telephone No.: +91 85111 91111

Website: www.sonahisona.com

Email id: cs@sonahisona.com

Registrar of Companies

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

Registrar of Companies
ROC Bhavan, Opp Rupal Park Society,
Behind Ankur Bus Stop, Naranpura,
Ahmedabad-380013, Gujarat, India

Board of Directors of our Company

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

Sr. No.	Name	Designation	DIN	Address
1.	Vijay Shah	Chairman and Managing Director	02895347	19 Shyam Sundar Bunglows, Near Prahladnagar Garden, Satellite, Ahmedabad – 380015, Gujarat, India
2.	Alpaben Shah	Whole Time Director and Chief Financial Officer	02887435	19 Shyam Sundar Bunglows, Near Prahladnagar Garden, Satellite, Ahmedabad – 380015, Gujarat, India
3.	Nirav Shah	Independent Director	07868247	702 Gulab Tower, Ghatlodia, Ahmedabad – 380061, Gujarat, India
4.	Manish Jain	Independent Director	07871644	A-404, Prit Flat, Sonal Cross Road, Memnagar, Ahmedabad 380052, Gujarat, India
5.	Jugal Dave	Independent Director	07895716	Patel No Bhath, Ramji Mandir Tran Darwaja Patan – 384265, Gujarat, India

For further details of our Directors, please refer chapter titled “*Management*” beginning on page 114 of this Prospectus.

Company Secretary and Compliance Officer

Falak Parikh

Sona Hi Sona Jewellers (Gujarat) Limited

Address: 7, Millenium Plaza,
Opp. Swaminarayan Mandir,
Mansi Cross Road, Vastrapur
Ahmedabad – 380013, Gujarat, India

Telephone No.: +91 85111 91111

Website: www.sonahisona.com

E-mail: cs@sonahisona.com

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

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

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

Peer Reviewed Auditor

Bhagat & Co.,

Chartered Accountants

24, Laxmi Chambers, Navjeevan Press Road,
Nr. old High court, Income Tax,
Ahmedabad - 380014 Gujarat, India

Tel No.: +91 79 27541551

Email: bhagatco2015@gmail.com

Membership No.: 14421

Firm Registration No.: 127250W

Peer Review Registration No: 009446

Contact Person: Sandeep Mulchandani

Statutory Auditor

Dipesh Chokshi & Co.,

Chartered Accountants

912, ATMA House,
Opp. old RBI, Ashram Road,
Ahmedabad, -380009, Gujarat, India

Tel No.: 079 26303840 / 41

Email: chokshidipesh@yahoo.co.in

Membership No.: 048270

Firm Registration No.: 114533W

Contact Person: CA Dipesh Chokshi

Lead Manager to the Issue

Fedex Securities Private Limited

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

Tel No: +91 81049 85249

Fax No: 022 26186966

Contact Person: Rinkesh Saraiya

Email: mb@fedsec.in

Website: www.fedsec.in

Investor Grievance Email: mb@fedsec.in

SEBI Registration Number: INM000010163

Advisor to the issue	Advisor to the company
MASTERMIND CORPORATE SERVICES 434, Avior Corporate Park, Nirmala Galaxy, LBS Marg, Mulund West, Mumbai – 400080 Tel: 8879252928 E-Mail: mastermindfca@gmail.com Contact Person: Mangesh Yadav	NNM Nextgen Advisory Private Limited B 6/7, Shri Siddhivinayak Plaza, 2 nd Floor, Plot No. B-31, Oshiwara, Opp. CitiMall, Behind Maruti Showroom, Andheri Linking Road, Andheri (West) Mumbai - 400053 Tel No: 022 – 40790011 / 40790036 Email: support@cokaco.com Website: www.cokaco.com Contact Person: Nikunj Anilkumar Mittal

Legal Advisor to the Issue

Pooja Sharma
8/14, Malad Co-op Hsg Soc Ltd,
Poddar Park, Malad (East), Mumbai- 400097
Mob No: 9022869773
Email Id: arupooja87@gmail.com
Bar Council No.: MAH/5967/2013

Registrar to the Issue

Link Intime India Private Limited
C 101, 1st floor, 247 Park,
Lal Bhadur Shastri Marg, Vikhroli (West),
Mumbai – 400083, Maharashtra, India
Tel: 022 - 49186200
Fax: 022 - 49186195
Website: www.linkintime.co.in
E-Mail: sonahisona.ipo@linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Reg. No.: INR000004058

Bankers to the Company	Bankers to the Issue and Refund Banker
Corporation 1 st Floor, Near Head Post Office, Navrangpura, Ahmedabad – 380009 Gujarat, India Tel: 079 - 26443412 Email id: cb0335@corpbank.co.in Contact Person: Ramanand Website: www.corpbank.com	ICICI BANK LIMITED Capital Market Division, 1 st Floor, 122, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate Mumbai - 400020 Tel: 022- 66818911 / 23/ 24 Fax No: 022 – 22611138 Email id: kmr.saurabh@icicibank.com Contact Person: Saurabh Kumar Website: www.icicibank.com SEBI Reg No.: INBI000000004

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35.Details> relating to designated branches of SCSBs collecting the ASBA application forms are available at the above-mentioned link.

The list of banks that have been notified by SEBI to act as SCSBs for the UPI process provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>

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) and updated from time to time.

Registered Broker

In terms of SEBI circular no. CIR/CFD/POLICYCELL/14/2012 dated October 04, 2012, Applicant can submit Application form through stock broker network of the Stock Exchange i.e. Registered Broker at the Broker center.

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

Registrar to the Issue and Share Transfer Agents

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

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

Collecting Depository Participants

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

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

Inter-Se Allocation of Responsibilities

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

Credit Rating

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

IPO Grading

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

Appraisal and Monitoring Agency

As per regulation 262(1) of SEBI ICDR Regulations, the requirement of monitoring agency is not mandatory if the Issue size is up to ₹ 10,000 Lakhs. Since the Issue size is only of ₹ 450 Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per section 177 of the Companies Act, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the issue.

Expert Opinion

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

Our Company has received a written consent from our Peer Review Auditor, Bhagat & Co., Chartered Accountants, with respect to their report on the Financial Statements dated June 18, 2019 and the Statement of Tax Benefits dated June 18, 2019, to include their name in this Prospectus, as required under Companies Act read with SEBI ICDR Regulations as "Expert", defined in section 2(38) of the

Companies Act and such consent has not been withdrawn as on the date of this Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Trustee

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

Brokers to the Issue

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

Changes in Auditors During the Last Three Years

There is no change in our Statutory Auditors of our Company during last three (3) years.

Filing of Offer Document

A soft copy of Draft Prospectus shall be filed with SEBI through SEBI Intermediary Portal at <https://siportal.sebi.gov.in> as per Regulation 246 (5) of SEBI ICDR Regulations and SEBI shall not issue any observation on the offer document in terms of Regulation 246(2) of SEBI ICDR Regulations.

A copy of the Prospectus along with the documents required to be filed under Section 32 of the Companies Act will be delivered to the RoC situated at RoC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus- Stop, Naranpura, Ahmedabad-380013, Gujarat, India.

Underwriters

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

The Underwriting agreement is dated September 19, 2019 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 indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Name and Address of the Underwriter	Indicative Number of Equity Shares Underwritten*	Amount Underwritten (₹ in Lakhs)	% of the Net Issue size Underwritten
NNM Securities Private Limited 1111 Stock Exchange Tower, 11 th Floor, Dalal Street, Fort, Mumbai 400023, Maharashtra, India Tel No: 022 - 40790011 Fax No: Not Available Website: www.nnmsecurities.com Email: support@nnmsecurities.com Investor Grievance Email: support@nnmsecurities.com Contact Person: Nikunj Mittal SEBI Registration Number: INB011044634	38,25,000	382.50	85.00%
Fedex Securities Private Limited 305, Enterprise Centre, Nehru Road, Vile Parle (East), Mumbai –400099, Maharashtra, India. Tel No: +91 81049 85249 Fax No: 022 26186966 Email: mb@fedsec.in Website: www.fedsec.in Investor Grievance Email: mb@fedsec.in Contact Person: Rinkesh Saraiya SEBI Registration No; INM000010163	6,75,000	67.50	15.00%
Total	45,00,000	450.00	100.00%

**Includes 2,40,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker on its own account in order to comply with the requirements of Regulation 261 of SEBI ICDR Regulations.*

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

Withdrawal of the Issue

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

Market Maker

Our Company and the Lead Manager have entered into an agreement dated July 25, 2019 with the following Market Maker, duly registered with National Stock Exchange of India Limited to fulfill the obligations of Market Making:

NNM Securities Private Limited

B 6/7, Shri Sidhivinayak Plaza, 2nd Floor, Plot No B-31,
Oshiwara, Opposite Citi Mall, Behind Maruti Showroom,
Andheri Linking Road, Andheri (West), Mumbai - 400053

Tel No: 022-4079 0011/ 40790036

Email: support@nnmsecurities.com

Contact Person: Nikunj Anilkumar Mittal

SEBI Registration No: INZ000234235

NNM Securities Private Limited is registered with EMERGE Platform of National Stock Exchange of India Limited as a Market Maker and has agreed to receive or deliver the Equity Shares in the market making process for a period of three (3) years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI ICDR Regulations.

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

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

- 1) The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. The spread (difference between the sell and the buy quote) shall not be more than 10% or as specified by the Stock Exchange from time to time. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
- 2) The prices quoted by Market maker shall be in compliance with the Market Maker spread Requirements and other particulars as specified or as per the requirements of National Stock Exchange of India Limited and SEBI from time to time.

- 3) The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that they sell their entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of ₹ 10/- the minimum lot size is 10,000 Equity Shares thus minimum depth of the quote shall be ₹ 1,00,000 until the same, would be revised by NSE.
- 4) After a period of three (3) months from the market making period, the Market Makers would be exempted to provide quote if the Equity Shares of Market Makers in our Company reaches to 25% of Issue Size (including the 2,40,000 Equity Shares out to be allotted under this Issue). Any Equity Shares allotted to Market Makers under this Issue over and above 25% would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Equity Shares of Market Makers in our Company reduce to 24% of Issue Size, the Market Makers will resume providing 2-way quotes.
- 5) There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, National Stock Exchange of India Limited may intimate the same to SEBI after due verification.
- 6) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 7) There would not be more than five Market Makers for a scrip at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, NNM Securities Private Limited are acting as the Market Makers.
- 8) On the first day of the listing, there will be pre-opening session (call auction) and thereafter 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. The securities of the company will be placed in SPOS and would remain in Trade to Trade settlement for 10 days from the date of Listing of Equity shares on the Stock Exchange.
- 9) The Equity Shares of the Company will be traded in continuous trading session from the time and day the company gets listed on EMERGE Platform of National Stock Exchange of India Limited and market makers will remain present as per the guidelines mentioned under EMERGE Platform of National Stock Exchange of India Limited and SEBI circulars.
- 10) 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 ₹ 250 crores, the applicable price bands for the first day shall be:
 - i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
 - ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

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 SME Exchange/ Platform.

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

- 11) There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be

applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.

- 12) The Market Maker(s) shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker 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 261 of the SEBI (ICDR) Regulations, 2018. Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on working days.

- 13) NSE EMERGE Segment will have all margins which are applicable on the Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
- 14) NSE EMERGE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

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

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

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

- 16) 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 NSE from time to time

SECTION VI - CAPITAL STRUCTURE

Our Equity Share Capital before the issue and after giving effect to the Issue, as on the date of filing of this Prospectus, is set forth below:

(₹ in Lacs except share data)

Sr. No.	Particulars	Aggregate nominal value	Aggregate value at Issue Price
A.	AUTHORISED SHARE CAPITAL		
	2,80,00,000 Equity Shares of face value of ₹. 10/- each	2800.00	
B.	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE		
	1,22,85,350 Equity Shares of face value of ₹. 10/- each	1228.54	
C.	PRESENT ISSUE IN TERMS OF THIS PROSPECTUS		
	Issue 45,00,000 Equity Shares of face value ₹.10 each at a price of ₹ .10/- per Equity Share	450.00	450.00
	Consisting of:		
(I)	Reservation for Market Maker – 2,40,000 Equity Shares of face value of ₹. 10/- each reserved as Market Maker portion at a price of ₹ .10/- per Equity Share	24.00	24.00
D	Net Issue to the Public – 42,60,000 Equity Shares of face value of ₹ 10 each at a price of ₹ . 10/- per Equity Share	426.00	426.00
	Of the Net Issue to the Public		
(I)	Allocation to Retail Individual Investors – 21,30,000 Equity Shares of face value of ₹. 10/- each at a price of ₹ . 10/- per Equity Share shall be available for allocation for Investors applying for a value of up to ₹ 2 Lakhs	213.00	213.00
(II)	Allocation to Other than Retail Individual Investors –21,30,000 Equity Shares of face value of ₹ . 10/- each at a price of ₹ . 10/- per Equity Share shall be available for allocation for Investors applying for a value above ₹ . 2 Lakhs	213.00	213.00
D	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE		
	1,67,85,350 Equity Shares of ₹. 10 each	1,678.54	1,678.54
E	Securities Premium Account on the date of Prospectus		
	Before the Issue		323.19
	After the Issue		323.19

Details of increase in authorized share capital of our Company since incorporation

On incorporation, the initial authorised share capital of our Company was ₹ 25,00,000 divided into 2,50,000 Equity Shares of ₹ 10 each. Further, the authorised share capital of our Company has been altered in the manner set forth below:

Date of Shareholder's Resolution	Details of Change	AGM / EGM
March 14, 2011	The authorised share capital of our Company increased from ₹ 25,00,000 divided into 2,50,000 Equity Shares of ₹ 10 each to ₹ 50,00,000 divided into 5,00,000 Equity Shares of ₹ 10 each	EGM
July 29, 2013	The authorised share capital of our Company increased from ₹ 50,00,000 divided into 5,00,000 Equity Shares of ₹ 10 each to ₹ 1,00,00,000 divided into 10,00,000 Equity Shares of ₹ 10 each	EGM
July 5, 2017	The authorised share capital of our Company increased from ₹ 1,00,00,000 divided into 10,00,000 Equity Shares of ₹ 10 each to ₹ 10,10,00,000 divided into 1,01,00,000 Equity Shares of ₹ 10 each	EGM
May 10, 2019	The authorised share capital of our Company increased from ₹ 10,10,00,000 divided into 1,01,00,000 Equity Shares of ₹ 10 each to ₹ 28,00,00,000 divided into 2,80,00,000 Equity Shares of ₹ 10 each	EGM

NOTES TO THE CAPITAL STRUCTURE**1. History of Share capital of the Company: Equity Share capital:**

a. The following table sets forth the history of the equity share capital of our company:

Date of Allotment	No. of Equity Shares allotted	Face Value (in ₹)	Issue Price (in ₹)	Nature of Consideration	Reason / Nature of Allotment	Cumulative No. of Equity Shares
On Incorporation ⁽ⁱ⁾	10,000	10	10	Cash	Subscription to MoA	10,000
March 30, 2010 ⁽ⁱⁱ⁾	2,10,000	10	50	Cash	Preferential Allotment	2,20,000
October 01, 2010 ⁽ⁱⁱⁱ⁾	14,000	10	50	Other than Cash	Pursuant to Business Transfer Agreement	2,34,000
March 26, 2011 ^(iv)	42,000	10	50	Cash	Preferential Allotment	2,76,000
October 31, 2013 ^(v)	5,23,700	10	55	Cash	Preferential Allotment	7,99,700
July 22, 2017 ^(vi)	6,38,370	10	62	Other than Cash	Conversion of unsecured loan into Equity Shares	14,38,070
July 26, 2017 ^(vii)	57,52,280	10	NA	Other than Cash	Bonus Shares	71,90,350

Date of Allotment	No. of Equity Shares allotted	Face Value (in ₹)	Issue Price (in ₹)	Nature of Consideration	Reason / Nature of Allotment	Cumulative No. of Equity Shares
July 31, 2017 ^(viii)	95,000	10	62	Other than Cash	Conversion of unsecured loan into Equity Shares	72,85,350
June 11, 2019 ^(ix)	15,66,000	10	13.50	Cash	Preferential Allotment	88,51,350
June 17, 2019 ^(x)	34,34,000	10	13.50	Other than Cash	Conversion of unsecured loan into Equity Shares	1,22,85,350

i. *Initial Subscribers to Memorandum of Association*

Sr. No	Name of Person	No. of Shares allotted
1.	Vijay Shah	5,000
2.	Alpaben Shah	5,000
	Total	10,000

ii. *Preferential Issue of 2,10,000 Equity Shares*

Sr. No	Name of Person	No. of Shares allotted
1.	Lakshya Securities and Credit Holdings Limited	50,000
2.	Pioneer Merchantile Limited	50,000
3.	Tripada Infrastructure Private Limited	50,000
4.	Arcadia Mercantile Capital Limited	60,000
	Total	2,10,000

iii. *Preferential Issue of 14,000 Equity Shares pursuant to Business Transfer Agreement*

Sr. No	Name of Person	No. of Shares allotted
1.	Vijay Shah	14,000
	Total	14,000

iv. *Preferential Issue of 42,000 Equity Shares*

Sr. No	Name of Person	No. of Shares allotted
1.	Tripada Infrastructure Private Limited	42,000
	Total	42,000

v. *Preferential Issue of 5,23,700 Equity Shares*

Sr. No	Name of Person	No. of Shares allotted
1.	Pioneer Merchantile Limited	3,92,700
2.	Alpaben Shah	1,31,000
	Total	5,23,700

vi. *Conversion of unsecured loan into Equity Shares of 6,38,370 Equity Shares*

Sr. No	Name of Person	No. of Shares allotted
1.	Vijay Shah	4,54,830
2.	Alpaben Shah	1,83,540
	Total	6,38,370

vii. *Bonus Issue of 57,52,280 Equity Shares*

Sr. No	Name of Person	No. of Shares allotted
1.	Vijay Shah	18,94,720
2.	Alpaben Shah	12,78,160
3.	Jayeshbhai Shah	8,40,000
4.	Rupal Shah	200
5.	Devilaben Shah	200
6.	Sonalben Shah	200
7.	Jirawala Association	17,38,800
	Total	57,52,280

viii. *Preferential Issue of 95,000 Equity Shares*

Sr. No	Name of Person	No. of Shares allotted
1.	Vijay Shah	95,000
	Total	95,000

ix. *Preferential Issue of 15,66,000 Equity Shares*

Sr. No	Name of Person	No. of Shares allotted
1.	Devilaben Shah	2,52,000
2.	Chinulal Shah	13,14,000
	Total	15,66,000

x. *Conversion of unsecured loan into Equity Shares of 34,34,000 Equity Shares*

Sr. No	Name of Person	No. of Shares allotted
1.	Vijay Shah	32,42,000
2.	Alpaben Shah	1,92,000
	Total	34,34,000

b. Equity Shares issued for consideration other than cash:

Except as set out below, our Company has not issued Equity Shares for consideration other than cash. Further, no benefits have accrued to our Company on account of allotment of Equity Shares for consideration other than cash:

Date of Allotment	No. of Equity Shares allotted	Face Value (₹.)	Issue Price (₹.)	Reason / Nature of Allotment	Person to whom Allotment were made
October 01, 2010	14,000	10	50	Pursuant to Business Transfer Agreement	1. Vijay Shah
July 22, 2017	6,38,370	10	62	Conversion of unsecured loan into Equity Shares	1. Vijay Shah 2. Alpaben Shah
July 26, 2017	57,52,280	10	NA	Bonus Issue (4:1)	1. Vijay Shah, 2. Alpaben Shah, 3. Jayesh Shah, 4. Rupal Shah, 5. Devila Shah, 6. Sonal Shah and 7. Jirawala Association

Date of Allotment	No. of Equity Shares allotted	Face Value (₹.)	Issue Price (₹.)	Reason / Nature of Allotment	Person to whom Allotment were made
July 31, 2017	95,000	10	62	Conversion of unsecured loan into Equity Shares	1. Vijay Shah
June 17, 2019	34,34,000	10	13.50	Conversion of unsecured loan into Equity Shares	1. Vijay Shah 2. Alpaben Shah

- c. Our Company has not issued any Equity Shares at price below Issue Price within last one (1) year from the date of this Prospectus**

History of the Equity Share capital held by our Promoters

As on the date of this Prospectus, our Promoters hold 74,95,100 Equity Shares, equivalent to 61.01 % of the issued, subscribed and paid-up Equity Share capital of our Company.

a. Capital built-up of our Promoters:

Date of Allotment / Transfer	Nature of Issue/ Allotment (Bonus, Rights etc)	Consideration	No. of Equity Shares	Cumulative No. of Equity Shares	Face Value (₹)	Issue / Transfer Price	% of total Issued Capital	
							Pre-Issue	Post-Issue
Vijay Shah								
February 09, 2010	Subscription to MoA	Cash	5,000	5,000	10.00	10.00	0.04%	0.03%
January 01, 2010	Pursuant to Business Transfer Agreement	Cash	14,000	19,000	10.00	50.00	0.11%	0.08%
July 06, 2017	Transferred to Rupal Shah, Devilaben Shah & Sonalben Shah	Cash	(150)	18,850	-	10.00	(0.00)	(0.00)
July 22, 2017	Conversion of Unsecured Loan into Equity Shares	Other than Cash	4,54,830	4,73,680	10.00	62.00	3.70%	2.70%
July 26, 2017	Bonus Issue	Other than Cash	18,94,720	23,68,400	10.00	Not Applicable	15.42%	11.28%
July 31, 2017	Preferential Issue	Cash	95,000	24,63,400	10.00	62.00	0.77%	14.67%
June 17, 2019	Conversion of Unsecured	Other than Cash	32,42,000	57,05,400	10.00	13.50	26.38%	19.31%

Date of Allotment / Transfer	Nature of Issue/ Allotment (Bonus, Rights etc)	Consideration	No. of Equity Shares	Cumulative No. of Equity Shares	Face Value (₹)	Issue / Transfer Price	% of total Issued Capital	
							Pre-Issue	Post-Issue
	Loan into Equity Shares							
	TOTAL (A)		57,05,400				46.44%	33.99%
Alpaben Shah								
February 09, 2010	Subscription to MoA	Cash	5000	5,000	10	10	0.04%	0.02%
October 31, 2013	Further Issue	Cash	131000	1,36,000	10	55	1.06%	0.78%
July 22, 2017	Conversion of Unsecured Loan into Equity Shares	Other than Cash	183540	3,19,540	10	62	1.49%	1.09%
July 26, 2017	Bonus Issue	Other than Cash	1278160	15,97,700	10	NA	10.40%	7.61%
July 17, 2019	Conversion of Unsecured Loan into Equity Shares	Other than Cash	1,92,000	17,89,700	10	13.50	1.56	1.14%
	TOTAL (B)		17,89,700				14.57%	10.66%

Note: All the Equity Shares allotted and held by our Promoters were fully paid at the time of allotment and none of the Equity Shares held by our Promoters are pledged.

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

Pursuant to the Regulations 236 and 238 of SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by our Promoters, shall be locked-in for a period of three (3) years from the date of Allotment.

The lock-in of the minimum Promoters' contribution would be created as per applicable laws and procedures and details of the same shall also be provided to the NSE EMERGE before the listing of the Equity Shares.

Following are the details of minimum Promoters' contribution of 20.26% which is subject to lock-in for three years does not consist of:

Date of Allotment/ Acquisition and when made fully paid-up	No. of Equity Shares locked in	Face Value (in ₹)	Issue Price (in ₹)	Nature of Allotment / Transfer	Consideration (Cash / Other than cash)	Percentage of post-Issue paid-up capital [#]
Vijay Shah						
February 09, 2010	5,000	10.00	10.00	Subscription to MoA	Cash	0.03

Date of Allotment/ Acquisition and when made fully paid-up	No. of Equity Shares locked in	Face Value (in ₹)	Issue Price (in ₹)	Nature of Allotment / Transfer	Consideration (Cash / Other than cash)	Percentage of post-Issue paid-up capital [#]
Vijay Shah						
October 01, 2010	14,000	10.00	50.00	Pursuant to Business Transfer Agreement	Other than Cash	0.08
July 22, 2017	4,54,830	10.00	62.00	Conversion from Unsecured loan to Equity Shares	Other than Cash	2.71
July 26, 2017	18,94,720	10.00	NA	Bonus	Other than Cash	11.29
July 31, 2017	95,000	10.00	62.00	Conversion from Unsecured loan to Equity Shares	Other than Cash	0.57
Alpaben Shah						
July 26, 2017	9,36,000	10.00	NA	Bonus	Other than Cash	5.58
Total						20.26

[#] Subject to finalisation of Basis of Allotment

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters' contribution under Regulation 237 of the SEBI ICDR Regulations. In this computation, as per Regulation 237 of the SEBI ICDR Regulations, our Company confirms that the Equity Shares which are being locked-in do not, and shall not, consist of:

- Equity Shares acquired three (3) years before the filing of the Prospectus with SEBI for consideration other than cash and revaluation of assets or capitalisation of intangible assets involved in such transactions or resulting from a bonus issue by utilization of revaluation reserves or unrealised profits of our Company or from bonus issue against Equity Shares which are ineligible for computation of minimum Promoters' contribution;
- Equity Shares acquired by our Promoters during the preceding one (1) year, at a price lower than the price at which Equity Shares are being offered to the public in the Issue;
- Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the minimum Promoter's contribution subject to lock-in;
- Equity Shares held by our Promoters that are subject to any pledge.

Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership into a company in the past one (1) year and thus, no Equity Shares have been issued to our Promoters upon conversion of a partnership firm a limited liability partnership in the past one (1) year.

As on the date of this Prospectus, the Equity Shares held by the Promoters and members of the Promoter Group are in dematerialised form.

The Equity Shares forming part of Promoter's contribution subject to lock in will not be disposed/ sold/ transferred by our Promoters during the period starting from the date of filing of this Prospectus with RoC till the date of commencement of lock in period as stated in this Prospectus.

Other than the Equity Shares locked-in as Promoter's contribution for a period of three (3) years as stated in the table above, the entire pre-Issue capital of our Company, including the excess of minimum Promoters' contribution, as per Regulation 238(b) and Regulation 239 of the SEBI ICDR Regulations, shall be locked in for a period of one (1) year from the date of Allotment of Equity Shares in the Issue. As per Regulation 241 of the SEBI ICDR Regulations, such lock-in of the Equity Shares would be created and recorded by the Depositories as per applicable laws.

Other requirements in respect of 'lock-in'

In terms of Regulation 243 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 239 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

In terms of Regulation 243 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked in as per the provisions of Regulation 238 of the SEBI ICDR Regulations, may be transferred to and amongst Promoters / members of the Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of SEBI Takeover Regulations, as applicable.

In terms of Regulation 242 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters can be pledged only with any scheduled commercial banks or public financial institutions or a systemically important non-banking finance company or a housing finance company as collateral security for loans granted by such banks or financial institutions or a systemically important non-banking finance company or a housing finance company, subject to the following:

- If the specified securities are locked-in in terms of sub-regulation (a) of Regulation 238 of the SEBI ICDR Regulations, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the Issue and the pledge of specified securities is one of the terms of sanction of the loan;
- If the specified securities are locked-in in terms of sub-regulation (b) of Regulation 238 of the SEBI ICDR Regulations and the pledge of specified securities is one of the terms of sanction of the loan.

An oversubscription to the extent of 10% of the Issue can be retained, in consultation with NSE Emerge, for the purposes of rounding off to the nearer multiple of minimum allotment lot, while finalizing the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Issue as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by 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 for three (3) years.

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

Other than the above-mentioned Equity Shares that would be locked-in for three (3) years, the entire pre-Issue capital of our Company would be locked-in for a period of one (1) year from the date of Allotment in the Issue pursuant to Regulation 238(b) and Regulation 239 of SEBI ICDR Regulations.

b. Other requirements in respect of lock-in

Pursuant to Regulation 242 of SEBI ICDR Regulations, the locked-in Equity Shares held by the Promoters, as specified above, can be pledged only with scheduled commercial banks or public financial institutions or a systemically important non-banking finance company or a housing finance company as collateral security for loans granted by such scheduled commercial banks or public financial institution, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.

Provided that securities locked-in as Promoters' contribution for three (3) years under Regulation 238(a) of SEBI ICDR Regulations may be pledged only if, in addition to fulfilling the above requirement, the loan has been granted by such scheduled commercial bank or public financial institution or insurance companies registered with Insurance Regulatory and Development Authority of India for the purpose of financing one or more of the objects of the Issue.

Pursuant to Regulation 243 of SEBI ICDR Regulations, Equity Shares held by the Promoters may be transferred to and amongst the Promoters, the Promoter Group or to new promoters or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI Takeover Regulations.

Further, pursuant to Regulation 243 of SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 239 of SEBI ICDR Regulations, along with the Equity Shares proposed to be transferred, provided that lock-in on such Equity Shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated under SEBI ICDR Regulations has ended, subject to compliance with SEBI Takeover Regulations, as applicable.

1. The Equity Shares held by persons other than our Promoters and locked-in for a period of one (1) year from the date of Allotment may be transferred to any other person holding the Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations.
2. As on date of this Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956 and Sections 230-232 of the Companies Act.
3. Except as mentioned below, the Promoters, Promoter Group, Directors of our Company and their relatives have not undertaken any transactions of Equity Shares of our Company, during a period of six (6) months preceding the date on which this Prospectus is filed with NSE Emerge.

Date of Allotment	Name of allottee / transferred	No of shares Allotted / transferred	Category	Face Value (₹)	Issue Price	Nature of Allotment
June 11, 2019	Devilaben Shah	2,52,000	Promoter Group	10	13.50	Preferential Allotment
	Chinulal Shah	13,14,000				
June 17, 2019	Vijay Shah	32,42,000	Promoters	10	13.50	Conversion of Unsecured Loan into Equity Shares
	Alpaben Shah	1,92,000				

4. **Shareholding Pattern of our Company and the Equity shares held by them is as follows:**

The table below represents the current Shareholding pattern of our Company as on the date of this Prospectus:

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No of fully paid up equity shares held (IV)	No of partly paid up equity shares held	No. of shares underlying Depository Receipts (VI)	Total No of Shares held (VII = IV + V + VI)	Shareholding as a % of total No. of Shares (calculated as per SCRR, 1957 (As a % of (A + B + C2) (VIII))	Number of Voting Rights held in each Class of securities (IX)		No of underlying outstanding convertible securities (incl. Warrants) (X)	Shareholding as a % assuming full convertible securities (as a % of diluted share capital (As a % of (A + B + C2) (XI = VII + X)	Number of Locked in shares (XII)		No. of shares Pledged Or Otherwise Encumbered (XIII)		No. of Equity shares held in De-mat Form (XIV)
								No of voting Right	Total as % of (A+B+C)			No (a)	As a % of total shares held (b)	No (a)	As a % of total shares held (b)	
A	Promoter and Promoter Group	7	1,22,85,100	-		1,22,85,100	99.998	1,22,85,100	99.998	-	-	-	-	-	-	1,22,85,100
B	Public	1	250			250	0.002	250	0.002					-	-	250
C	Non-Promoter Non-Public	--	--	--	--	--	--	--	--	--	--	-	--	--	--	--
C1	Shares Underlying DRs	--	--	--	--	--	--	--	--	--	--	-	--	--	--	--
C2	Shares held by Employee Trusts	--	--	--	--	--	--	--	--	--	--	-	--	--	--	--
	Total (A+B+C)	7	1,22,85,350			1,22,85,350	100.00	1,22,85,350	100.00							1,22,85,350

- As on the date of this Prospectus, one Equity share have one vote.
- PAN of the Shareholders will be provided by our Company prior to Listing of Equity Share on the Stock Exchange.
- Our Company will file shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one day prior to the listing of the Equity Shares. The Shareholding pattern will be uploaded on the website of NSE EMERGE before commencement of trading of such equity shares.
- In terms of SEBI circular bearing no. CIR/ISD/3/2011 dated June 17, 2011 and SEBI circular bearing no. SEBI/CIR/ISD/05/2011 dated September 30, 2011. The Equity Shares held by the Promoter / members of the Promoter Group are in dematerialized.

5. **Shareholding of our Promoters and Promoter group Pre and Post Issue:**

Provided below are details of Equity Shares held by our Promoters and Promoter Group as of the date of this Prospectus:

Sr. No	Name of share holder	Pre-issue		Post Issue	
		No of equity shares	As a % of Issued Capital	No of equity shares	As a % of Issued Capital
(i) Promoter					
1	Vijay Shah	57,05,400	46.44	57,05,400	33.99
2	Alpaben Shah	17,89,700	14.57	17,89,700	10.66
	TOTAL (A)	74,95,100	61.01	74,95,100	44.65
(ii) Promoter Group					
3	Jayesh Shah	10,50,000	8.55	10,50,000	6.26
4	Jirawala Association	21,73,500	17.69	21,73,500	12.96
5	Devilaben Shah	2,52,250	2.05	2,52,250	1.50
6	Sonal shah	250	0.0020	250	0.0015
7	Chinulal Shah	13,14,000	10.70	13,14,000	7.83
	TOTAL (B)	47,90,000	38.9896	47,90,000	28.54
	Total (A+B)	1,22,85,100	99.998	1,22,84,950	73.19
(iii) Public					
8	Rupal Shah	250	0.002	250	0.001
	TOTAL (C)	250	0.00	250	0.001
	TOTAL (A+B+C)	1,22,85,350	100.00	1,22,85,350	73.19

Other than the following, none of our Key Management Personnel hold Equity Shares in our Company as on the date of filing of this Prospectus:

Sr. No.	Name of the Key Managerial Personnel	No. of Equity Shares (Face Value of ₹ 10 each)	Percentage of pre-Issue share capital (%)	Percentage of post-Issue share capital (%) [#]
1.	Vijay Shah	57,05,400	46.44	33.99
2.	Alpaben Shah	17,89,700	14.57	10.66

[#]Subject to finalisation of Basis of Allotment

6. **The list of shareholders holding 1% or more of the paid-up capital of our Company is as under:**

- a. Particulars of the shareholders holding 1% or more of the paid-up capital of our Company as on the date of this Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Issue capital (in %)	Percentage of the post-Issue capital (in %) [#]
1.	Vijay Shah	57,05,400	46.44	33.99
2.	Jirawala Association	21,73,500	17.69	12.95
3.	Alpaben Shah	17,89,700	14.57	10.66
4.	Chinulal Shah	13,14,000	10.70	7.83

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Issue capital (in %)	Percentage of the post-Issue capital (in %)#
5.	Jayesh Shah	10,50,000	8.55	6.26
6.	Devilaben Shah	2,52,250	2.05	1.50
	Total	1,22,84,850	99.99	73.19

#Subject to finalisation of Basis of Allotment

- b. Particulars of shareholders holding 1% or more of the paid-up capital of our Company, ten (10) days prior to the date of filing this Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Issue capital (in %)	Percentage of the post-Issue capital (in %)#
1.	Vijay Shah	57,05,400	46.44	33.99
2.	Jirawala Association	21,73,500	17.69	12.95
3.	Alpaben Shah	17,89,700	14.57	10.66
4.	Chinulal Shah	13,14,000	10.70	7.83
5.	Jayesh Shah	10,50,000	8.55	6.26
6.	Devilaben Shah	2,52,250	2.05	1.50
	Total	1,22,84,850	99.99	73.19

#Subject to finalisation of Basis of Allotment

- c. Particulars of shareholders holding 1% or more of the paid-up capital, one (1) year prior to the date of filing this Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares*	Percentage of the pre-issue capital (in %)
1.	Vijay Shah	24,63,400	33.81
2.	Alpaben Shah	15,97,700	21.93
3.	Jayesh Shah	10,50,000	14.41
4.	Jirawala Association	21,73,500	29.83
5.	Vijay Shah	24,63,400	33.81
	Total	72,84,600	99.99

- d. Particulars of shareholders holding 1% or more of the paid-up capital, two (2) years prior to the date of filing this Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares*	Percentage of the pre-issue capital (in %)
1.	Vijay Shah	19000	2
2.	Alpaben Shah	136000	17
3.	Jayesh Shah	210000	26
4.	Jirawala Association	434700	54
	Total	799700	100

7. Except as stated below, there are no transactions in our Equity Shares, which have been purchased/ sold by our Promoters, persons in promoter group or by the Directors of our Company

and their immediate relatives (as defined under sub-clause (pp) sub-regulation (1) Regulation 2 of the SEBI ICDR Regulations) during the six (6) months preceding the date of filing this Prospectus.

Date of Allotment	Name of allottee / transferred	No of shares Allotted / transferred	Category	Face Value (₹)	Issue Price	Nature of Allotment
June 11, 2019	Devilaben Shah	2,52,000	Promoter Group	10	13.50	Preferential Allotment
	Chinulal Shah	13,14,000				
June 17, 2019	Vijay Shah	32,42,000	Promoters	10	13.50	Conversion of Unsecured Loan into Equity Shares
	Alpaben Shah	1,92,000				

8. As on date of this Prospectus, our Company have Eight (8) shareholders.
9. The Equity Shares, which are subjected to lock-in, shall carry the inscription “non-transferable” and the non-transferability details shall be informed to the depository. The details of lock-in shall also be provided to NSE Emerge before the listing of the Equity Shares.
10. None of the persons/entities comprising our Promoter Group, our Directors or their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of any such entity/individual or otherwise during the period of six (6) months immediately preceding the date of this Prospectus.
11. Our Company, our Promoters, our Directors and the Lead Manager have not entered into any buy-back or standby or similar arrangements for the purchase of Equity Shares being offered through the Issue from any person. There are no safety net arrangements for this public issue.
12. All the existing Equity Shares are fully paid up and as on the date of this Prospectus there are no partly paid up Equity Shares.
13. Neither the Lead Manager nor any of their associates (as defined under Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) hold any Equity Shares in our Company.
14. Our Company has neither granted any employee stock option nor issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme in the preceding three (3) years from the date of this Prospectus.
15. Our Company has not revalued its assets since inception and has not issued any Equity Shares by capitalizing any revaluation reserves.
16. Our Company presently does not have any intention, proposal, negotiation or consideration to alter its capital structure within a period of six (6) months from the date of Issue Opening Date, by way of split/ consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise or issue of bonus or rights, except that if we acquire companies / business or enter into joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures. However, our Company has not entered into any acquisitions, joint ventures or strategic alliances as on the date of this Prospectus and has not identified any strategic investments or acquisition opportunities.
17. As on date of this Prospectus, there are no outstanding warrants, options or rights to convert debentures loans or other financial instruments into our Equity Shares.

18. The Equity Shares offered through this Issue shall be made fully paid-up or maybe forfeited within twelve (12) months from the date of allotment of securities in the manner specified under SEBI ICDR Regulations.
19. Our Company has not raised any bridge loans which are proposed to be repaid from the proceeds of the Issue.
20. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the members of the Promoter Group during the period between the date of registering the Prospectus with the RoC and the date of closure of the Issue shall be reported to the NSE Emerge within twenty-four (24) hours of the transaction.
21. Subject to valid Applications being received at the Issue Price, under subscription, if any, in any category would be met with spill-over from the other categories or a contribution of categories at the discretion of our Company in consultation with the Lead Manager and the Designated Stock Exchange.
22. There shall be only one denomination of Equity Shares of our Company at any given time, unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be prescribed by SEBI from time to time.
23. As per the applicable regulations, OCBs are not permitted to participate in the Issue.
24. Our Promoters and members of our Promoter Group will not participate in this Issue
25. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
26. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net Issue to the public portion

For the details of related party transactions, please refer section titled “*Financial Statements*” on page 134 of this Prospectus.

SECTION VII PARTICULAR OF THE ISSUE

(A) Objects of the Issue

The issue comprises of fresh issue of 45,00,000 Equity Shares by our Company aggregating Rs 450.00 Lakhs ("Fresh Issue").

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

1. Meeting incremental working capital requirements; and
2. General corporate purposes

(collectively referred to as "Objects")

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

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

Net Proceeds

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

Sr No	Particulars	Estimated Amount (₹ in lakhs)
1.	Gross proceeds from the issue	450.00
2.	Less: issue related expenses	32.80
3.	Net proceeds from the issue	417.20

Requirement of funds and utilization of Net Proceeds

Sr No	Particulars	Estimated Amount (₹ in lakhs)
1.	Meeting incremental working capital requirements	372.43
2.	General corporate purposes	44.77
3.	Total utilization of net proceeds	417.20

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

In the event of shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the net proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of shortfall in the net proceeds

or cost overruns, our management may explore a range of options including utilizing our internal accruals or seeking debt financing.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please see the section titled “Risk Factors” beginning on page 20 of this Prospectus

Schedule of implementation and Deployment of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(₹ in lakhs)

Sr No	Particulars	Total estimated Costs	Amount already deployed	Estimated utilization of net proceeds in FY 2020
1.	Meeting incremental working capital requirements	372.43	-	372.43
2.	General Corporate Purposes ⁽¹⁾	44.77	-	44.77

⁽¹⁾ The amount utilized for general corporate purposes shall not exceed 25.00% of the gross proceeds of the issue

As indicated above, our Company proposes to deploy the entire Net Proceeds towards the objects as described in the Financial Year 2020. In the event that the estimated utilization of the Net Proceeds in a Financial Year 2020 is not completely met, the same shall be utilized, in part or full, in the next Financial Year or a subsequent period towards the Objects.

Means of Finance

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

We confirm that there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations 2018 and Clause 9(C) of Part A of Schedule VI of the SEBI ICDR Regulations 2018 through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the issue.

Details of objects of the issue

1. Meeting incremental working capital requirements

Our Company is into Job Work and Trading Business of Gold Jewellery and Ornaments. *Our Company gets the job work done from outside for its own designs. However, our company does not perform any job work activity for other companies.* Our Product Collection list includes Gold Jewellery with or without studded precious and semi-precious stones. Our Company offers our customers a broad variety of Gold Jewellery in order to cater to regional tastes. We also customize Jewellery on individual

basis. The designing and job work of our products is done either in house or by third parties on job work basis.

Our business is working capital intensive. As on 31 Mar 2019, our company's net working capital requirement was Rs 2,191.55 Lakhs as against Rs 2,198.05 lakhs as on 31 Mar 2018. The net working capital requirement for current financial year 2019 – 2020 is estimated to be Rs 3,826.50 lakhs and the incremental working capital requirement of Rs 1,634.95 lakhs will be met through short term borrowings, internal accruals and public issue. As on the date of this Prospectus we meet our working capital requirements of business through mixture of internal accruals and financing from banks & unsecured loans.

Basis of estimation of working capital requirement and estimated working capital requirement:

(₹ in lakhs)

Particulars	FY 2017	FY 2018	FY 2019	FY 2020 (estimated)
Current Assets				
Inventories	1,173.56	1,601.42	1,484.28	2,150.20
Trade Receivables	-	579.78	696.57	1,269.72
Cash and Bank Balance	21.04	18.75	19.73	76.47
Other Current Assets	1.11	12.38	7.95	363.38
Total (A)	1,195.71	2,212.33	2,208.53	3,859.78
Current Liabilities				
Trade Payables	-	-	-	-
Other Current Liabilities	0.47	0.67	0.67	5.17
Short Term Provisions	3.76	13.61	16.31	28.11
Total (B)	4.23	14.28	16.98	33.28
Net Working Capital (A – B)	1,191.48	2,198.05	2,191.55	3,826.50
Sources of Working Capital				
Short Term Borrowings and Internal Accruals	1,191.48	2,198.05	2,191.55	3,454.07
Issue proceeds	-	-	-	372.43

Key assumptions for working capital requirements

Particulars	No of days outstanding or holding level as on				Justification
	FY 2017	FY 2018	FY 2019	FY 2020 (estimated)	
Inventory	79	99	81	78	Estimate for FY 2019-20 is on the basis of past years
Trade Receivables	-	36	38	46	Estimate for FY 2019-20 is on the basis of past years

2. General corporate purposes

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

Our management will have flexibility in applying Rs 44.77 lakhs of the Net Proceeds towards general corporate purposes, including but not restricted to financing working capital requirements, capital

expenditure, acquiring business premises, meeting exigencies etc. or any other purpose as may be approved by our Board, subject to compliance with the necessary provisions of the Companies Act.

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

Issue Related Expenses

The estimated issue expenses are as follows:

Activity	Estimated expenses (₹ in lakhs)	As a % of total estimated issue related expenses	As a % of Gross Issue Size
Lead Manger Fees including Underwriting Commission	10.00	30.49	2.22
Brokerage, selling commission and upload fees	1.25	3.81	0.28
Registrar to the Issue	0.75	2.29	0.17
Legal Advisors	3.00	9.15	0.67
Advertising and marketing expenses	3.00	9.15	0.67
Regulators including stock exchanges	2.75	8.38	0.61
Printing and distribution of issue stationary	0.80	2.44	0.18
Others (market making fees, etc.)	11.25	34.30	2.50
Total estimated issue related expenses	32.80	100.00	7.29

Notes

1. The fund deployed out of internal accruals up to July 01, 2019 is Rs 7.72 lakhs towards issue expenses vide certificate dated July 01, 2019 having UDIN 19144241AAAAAC2741 received from M/s Bhagat & Co, Chartered Accountants and the same will be recouped out of issue expenses

2. Structure for commission and brokerage payment to the SCSBs Syndicate, RTAs, CDPs and SCSBs

ASBA applications procured directly from the applicant and Bided (excluding applications made using the UPI Mechanism, and in case the Offer is made as per Phase I of UPI Circular)	₹ 10 per application on wherein shares are allotted
Syndicate ASBA application procured directly and bided by the Syndicate members (for the forms directly procured by them)	₹ 10 per application on wherein shares are allotted
Processing fees / uploading fees on Syndicate ASBA application for SCSBs Bank	₹ 5 per application on wherein shares are allotted
Sponsor Bank shall be payable processing fees on UPI application processed by them	₹ 10 per application on wherein shares are allotted

3. No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them

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

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

Interim use of Net Proceeds

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

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

Bridge Financing Facilities

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

Appraisal Report

None of the objects for which the Issue Proceeds will be utilized have been financially appraised by any financial institutions / banks.

Monitoring Utilization of Funds

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

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

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

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the Objects without our Company being authorized to do so by the Shareholders by way of a special resolution through a postal ballot. In addition, the notice issued to the Shareholders in

relation to the passing of such special resolution (the "Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price as may be prescribed by SEBI, in this regard.

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

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

Other Confirmation

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

(B) Basis for Issue Price

The Issue Price of ₹ 10 per Equity Share is determined by our Company, in consultation with the Lead Manager on the basis of an assessment of market demand for the Equity Shares through the Fixed Issue process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is ₹ 10 per Equity Share and Issue Price is ₹ 10 per Equity Share. The Issue Price is 1.00 times the face value

Investors should refer sections titled “Risk Factors” and “Financial Statements” and the chapter titled “Business Overview” beginning on page 20, 134, and 85 respectively of this Prospectus to get an informed view before making an investment decision. The trading price of the Equity shares of our Company could decline due to risk factors and you may lose all or part of your investments.

Qualitative Factors

For details, refer heading “Our Competitive Strengths” under chapter titled “Business Overview” beginning on page 85 of this Prospectus.

Quantitative Factors

Information presented below relating to the Company is based on the Restated Financial Statements. Some of the quantitative factors which form the basis or computing the price, are as follows:

1) Basic and Diluted Earnings per Share (EPS) as adjusted for changes in capital

Year / Period ended	Basis & Diluted EPS (Pre-Bonus)	Basis & Diluted EPS (Post Bonus)	Weights
March 31, 2017	0.77	0.15	1
March 31, 2018	0.26	0.26	2
March 31, 2019	0.53	0.53	3
Weightage Average EPS	0.48	0.38	

Note.

- *Basic and Diluted EPS = Net Profit (Loss) after tax as restated attributable to Equity Shareholders / weighted average no of equity shares outstanding during the year*
- *The above ratios have been adjusted for issuance of bonus of 57,52,280 Equity shares on July 26, 2017.*
- The face value of each Equity Share is ₹ 10.

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

Particular	P/E Ratio
Pre-Bonus	
a) Based on 2018-19 basis EPS of ₹ 0.53	18.75
b) Based on Weighted average basis EPS of ₹ 0.48	20.80
Post- Bonus	
a) Based on 2018-19 basis EPS of ₹ 0.53	18.75
b) Based on Weighted average basis EPS of ₹ 0.38	26.28
*Industry P/E Ratio	

Particular	P/E Ratio
Lowest	4.57
Highest	232.50
Average	110.51

**Industry comprises of Palm Jewels Limited, Ashapuri Gold Ornament Limited, Shublaaxmi Jewel Art Limited, D. P. Abhushan Limited and Moksh Ornaments Limited*

- The above ratios have been adjusted for issuance of bonus of 57,52,280 Equity shares on July 26, 2017.

3) Return on Net worth (RoNW)

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

Year Ended	RONW (%)	Weight
March 31, 2017	1.33%	1
March 31, 2018	1.99%	2
March 31, 2019	3.98%	3
Weighted Average	2.87%	

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

- Return on Net Worth (%) = Net Profit after tax attributable to owners of the Company, as restated / Net worth as restated as at year/period end.*
- Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.*
- The above ratios have been adjusted for issuance of bonus of 57,52,280 Equity shares on July 26, 2017.*

4) Net Asset Value (NAV)

Particulars	Pre-Bonus	Post-Bonus
Net Asset Value per Equity Share as of March 31, 2019	13.41	13.41
Issue Price per equity share		10.00
After Issue		8.50

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

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

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

5) Comparison with Industry peers

Name of the company	CMP#	Face Value (₹)	EPS (₹)	P/E Ratio	RoNW(%)	NAV per Equity Share (₹)	Income (in Crore)
Sona Hi Sona Jewellers (Gujarat) Limited	10.00	10.00	0.53	18.75	3.98	13.41	67.18

Name of the company	CMP#	Face Value (₹)	EPS (₹)	P/E Ratio	RoNW(%)	NAV per Equity Share (₹)	Income (in Crore)
Peer Group							
Ashapuri Gold Ornament Limited	55.80	10	0.24	232.50	0.85%	21.07	88.19
Palm Jewels Limited	23.05	10	0.12	192.08	0.64%	18.65	41.91
Shubhlaxmi Jewel Art Limited	172.10	10	1.5	114.73	7.95%	15.21	51.51
D.P. Abhushan Limited	46.00	10	5.3	8.68	22.30%	23.76	812.13
Moksh Ornaments Limited	20.45	10	4.47	4.57	15.67%	28.53	380.87

Source: www.bseindia.com and www.nseindia.com

Notes:

- 1) Considering the nature and size of the business of our Company the peers are not strictly comparable. However, above company is included for broad comparison.
- 2) The Figures of the peer Group companies for the FY 2018-19 are taken from <https://www.bseindia.com> and <https://www.nseindia.com>. The peer group are in the ornaments business and having retail stores. Our Company is in business of gold ornaments manufactured on Job work basis and selling the same on whole sale basis and not on retail basis.
- 3) The figures for Sona Hi Sona Jewellers (Gujarat) Limited are based on the restated financial statements for the year ended March 31, 2019.
- 4) Current Market Price (CMP) is the closing price of the peer group scrip as on July 09, 2019 on BSE and NSE as applicable. However, CMP for our Company is the Issue price which has been determined by our Company in consultation with Lead Manager.
- 5) NAV is computed as the closing net worth divided by the closing outstanding number of equity shares. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserves) and as attributable to the owners of the Company.
- 6) P/E Ratio for the peer has been computed based on the closing market price of respective equity shares as on July 09, 2019 sourced from website of BSE and NSE, as applicable, as divided by the Basic/diluted EPS as applicable.
- 7) RoNW is computed as net profit after tax, as attributable to the owners of the Company divided by closing net worth. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserves) and as attributable to the owners of the Company.

The Issuer Price of Rs 10 has been determined by the Issuer in consultation with the Lead Manager on the basis of Fixed Issue process. For further details, please refer section titled “Risk Factors” beginning on 20 of this Prospectus and the financials of the Company including important profitability and return ratios, as set out in the section titled “Financial Statements” beginning on 134 of 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 (one) times of the Face Value i.e. ₹ 10 per Equity Share.

(C) Statement of Possible Special Tax Benefits

To

The Board of Directors,

Sona Hi Sona Jewellers (Gujarat) Limited

7, Millenium Plaza, Opp. Swaminarayan Mandir,

Mansi Cross Road, Vastrapur, Ahmedabad-380013

Gujarat, India

Dear Sir,

Sub: Statement of possible special tax benefits (“the Statement”) available to Sona Hi Sona Jewellers (Gujarat) Limited (“the Company”) and its shareholders prepared in accordance with the requirements in Schedule VI- Part A Clause (IX) (L) of the SEBI (ICDR) Regulations, 2018, as amended (“the Regulations”)

We hereby report that the enclosed annexure, prepared by the Management of the Company, states the possible special tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 ('Act') as amended by the Finance Act, 2017 (i.e applicable to Financial Year 2019-20 relevant to Assessment Year 2020-21), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed annexure cover only special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company or its shareholders. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ its own tax consultant with respect to the tax implications arising out of his/her/its participation in the proposed issue, particularly in view of ever-changing tax laws in India.

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

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

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the tax laws.

We shall not be liable to Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct.

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

Yours faithfully

For, BHAGAT & CO
Chartered Accountants
F.R.N: - 127250W

Sd/-

Sandeep H Mulchandani
Partner
M.NO.-144241

Date: June 18, 2019
Place: Ahmedabad

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

Outlined below are the possible special tax benefits available to the Company and its shareholders under the current direct tax laws in India for the financial year 2019-20.

A. SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)

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

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)

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

Note:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement

SECTION VIII - ABOUT THE COMPANY

(A) Industry Overview

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we, the Lead Manager or any of our or their respective affiliates or advisors nor any other person connected with Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect.

Before deciding to invest in the Equity Shares, prospective investors should read this entire Prospectus, including the information in the sections "Risk Factors" and "Financial Statements" on pages 20 and 134, respectively. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section 'Risk Factors' on page 20. Accordingly, investment decisions should not be based on such information.

SUMMARY:

The outlook for the global economy has darkened. Global financing conditions have tightened, industrial production has moderated, trade tensions remain elevated and some large emerging market and developing economies have experienced significant financial market stress. Faced with these headwinds, the recovery in emerging market and developing economies has lost momentum. Downside risks have become more acute and include the possibility of disorderly financial market movements. More frequent severe weather events would raise possibility of large swings in international food prices, which could deepen poverty. In this difficult environment, it is of paramount importance for emerging market and developing economies to rebuild policy buffers while laying a stronger foundation for future growth by boosting human capital, promoting trade integration and addressing challenges associated with informality.

[Source: World Gold Council, Media Sources, GJEPC, Aranca Research]

Introduction

The Gems and Jewellery sector plays a significant role in the Indian economy, contributing around 7 per cent of the country's GDP and 15 per cent to India's total merchandise exports. It also employs over 4.64 million workers and is expected to employ 8.23 million by 2022. One of the fastest growing sectors, it is extremely export oriented and labour intensive. Based on its potential for growth and value addition, the Government of India has declared the Gems and Jewellery sector as a focus area for export promotion. The Government has recently undertaken various measures to promote investments and to upgrade technology and skills to promote 'Brand India' in the international market. India is deemed to be the hub of the global jewellery market because of its low costs and availability of high-skilled labour. India is the world's largest cutting and polishing centre for diamonds, with the cutting and polishing industry being well supported by government policies. Moreover, India exports 75 per cent of the world's polished diamonds, as per statistics from the Gems and Jewellery Export promotion Council (GJEPC). India's Gems and Jewellery sector has been contributing in a big

way to the country's foreign exchange earnings (FEEs). The Government of India has viewed the sector as a thrust area for export promotion. The Indian government presently allows 100 per cent Foreign Direct Investment (FDI) in the sector through the automatic route.

Gems and Jewelry Industry Analysis:

India's gems and jewellery sector is one of the largest in the world contributing 29 per cent to the global jewellery consumption. The market size of the sector is about US\$ 75 billion as of 2018 and is estimated to reach US\$ 100 billion by 2025. The sector is home to more than 300,000 gems and jewellery players, contributes about 7 per cent to India's Gross Domestic Product (GDP) and employs over 4.64 million employees. India's gems and jewellery sector contributes about 15 per cent to India's total merchandise exports. The overall net exports of gems and jewellery stood at US\$ 32.71 billion during FY18 registering a compound annual growth rate (CAGR) of 5.83 per cent over FY05; whereas gems and jewellery imports increased at a CAGR of 7.97 per cent from US\$ 11.63 billion in FY05 to US\$ 31.52 billion in FY18.

India is the world's largest centre for cut and polished diamonds in the world and exports 75 per cent of the world's polished diamonds. Today, 14 out of 15 diamonds sold in the world are either polished or cut in India. India exported US\$ 21.95 billion worth of cut and polished diamonds in April 2018-February 2019*.

India is the largest consumer of gold in the world. Rising middle class population and increasing income levels are the key drivers for the demand of gold and other jewellery in India. Gold demand in India rose 11 per cent year-on-year to 760.40 tonnes during January-December 2018. Also, the Government of India has permitted 100 per cent Foreign Direct Investment (FDI) in the sector under the automatic route. As of January 2018, the Reserve Bank of India (RBI) has increased the scope of the gold-monetisation scheme by allowing charitable institutions and government entities to deposit gold, which is expected to boost deposits over the coming months. The Bureau of Indian Standards (BIS) has revised the standard on gold hallmarking in India from January 2018, to include a BIS mark, purity in carat and fitness as well as the unit's identification and the jeweller's identification mark on gold jewellery. The move is aimed at ensuring a quality check on gold jewellery.

(IBEF - Gems and Jewellery Industry Analysis - April 2019)

*Note: *Provisional figures*

Market Size

Gold demand in India rose to 760.40 tonnes between January to December 2018. India's gems and jewellery exports stood at US\$ 4.99 billion between April 2019-Nov 2019*. During the same period, exports of cut and polished diamonds stood at US\$ 3.52 billion, thereby contributing about 76.96 per cent of the total gems and jewellery exports in value terms. Exports of gold coins and medallions stood at US\$ 686.51 million and silver jewellery export stood at US\$ 765.98 million between April 2018-March 2018*. The gems and jewellery market in India is home to more than 300,000 players, with the majority being small players. Its market size is about US\$ 75 billion as of 2017 and is expected to reach US\$ 100 billion by 2025. It contributes 29 per cent to the global jewellery consumption. India is one of the largest exporters of gems and jewellery and the industry is considered to play a vital role in the Indian economy as it contributes a major chunk to the total foreign reserves of the country. The Goods and Services Tax (GST) and monsoon will steer India's gold demand going forward.

Investment / Developments

The Gems and Jewellery sector is witnessing changes in consumer preferences due to adoption of western lifestyle. Consumers are demanding new designs and varieties in jewellery, and branded jewellers are able to fulfil their changing demands better than the local unorganised players.

Moreover, increase in per capita income has led to an increase in sales of jewellery, as jewellery is a status symbol in India. The cumulative Foreign Direct Investment (FDI) inflows in diamond and gold ornaments in the period April 2000 – March 2019 were US\$ 1.16 billion, according to Department of Industrial and Internal Trade (DPIIT).

Some of the key investments in this industry are listed below:

- Deals worth Rs 8,000 crore (US\$ 1.19 billion) were made at the Indian International Jewellery Show held in August 2018.
- Companies such as PC Jewellers, PNG Jewellers, Popley and Sons, are planning to introduce a virtual-reality (VR) experience for their customers. The customer will have to wear a VR headset, through which they can select any jewellery, see the jewellery from different angles and zoom on it to view intricate designs.

Government Initiatives

The Bureau of Indian Standards (BIS) has revised the standard on gold hallmarking in India from January 2018. The gold jewellery hallmark will now carry a BIS mark, purity in carat and fitness as well as the unit's identification and the jeweller's identification mark. The move is aimed at ensuring a quality check on gold jewellery.

The Gems and Jewellery Export Promotion Council (GJEPC) signed a Memorandum of Understanding (MoU) with Maharashtra Industrial Development Corporation (MIDC) to build India's largest jewellery park in at Ghansoli in Navi-Mumbai on a 25 acres land with about more than 5000 jewellery units of various sizes ranging from 500-10,000 square feet. The overall investment of Rs 13,500 crore (US\$ 2.09 billion).

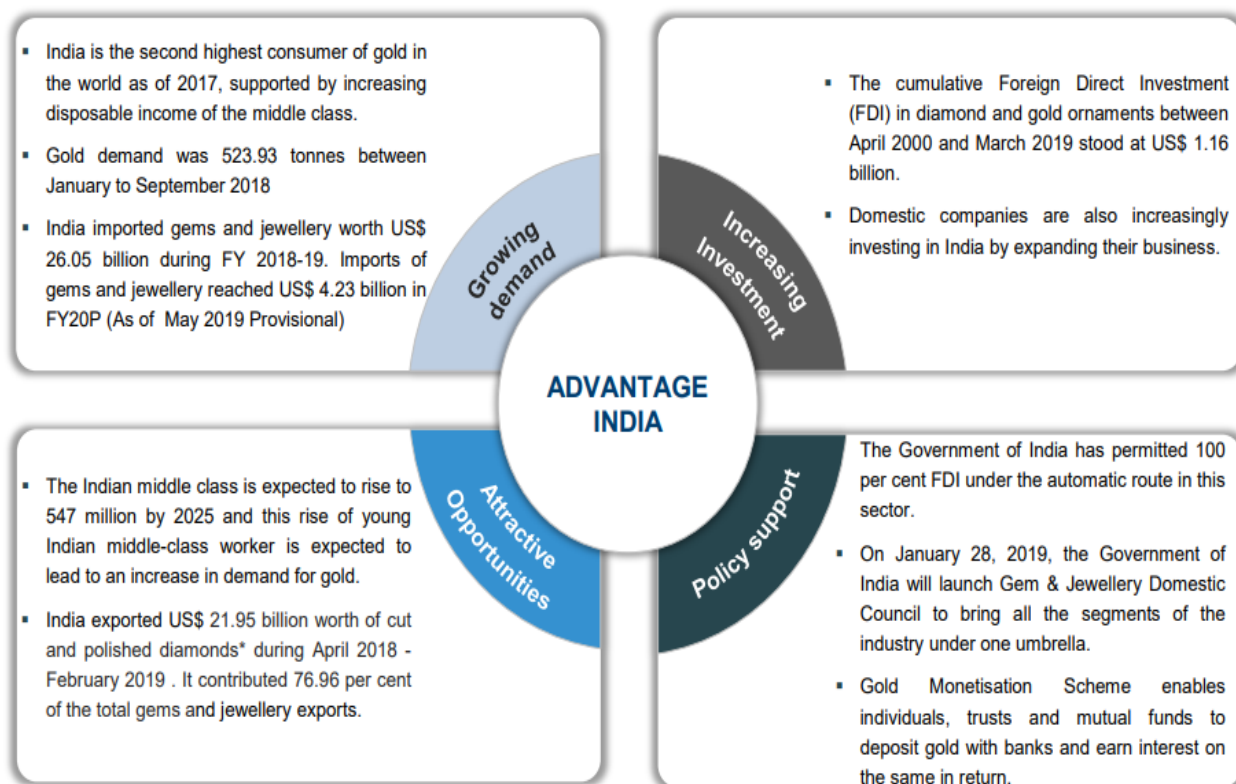
Gold Monetisation Scheme enables individuals, trusts and mutual funds to deposit gold with banks and earn interest on the same in return.

Road Ahead

In the coming years, growth in Gems and Jewellery sector would be largely contributed by the development of large retailers/brands. Established brands are guiding the organised market and are opening opportunities to grow. Increasing penetration of organised players provides variety in terms of products and designs. Online sales are expected to account for 1-2 per cent of the fine jewellery segment by 2021-22. Also, the relaxation of restrictions of gold import is likely to provide a fillip to the industry. The improvement in availability along with the reintroduction of low cost gold metal loans and likely stabilisation of gold prices at lower levels is expected to drive volume growth for jewellers over short to medium term. The demand for jewellery is expected to be significantly supported by the recent positive developments in the industry.

**Provisional*

Advantage India:



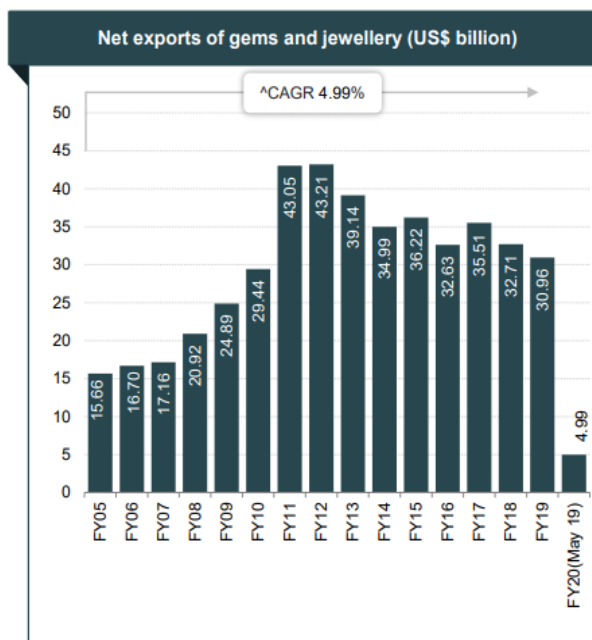
Infographics:



REPORT:

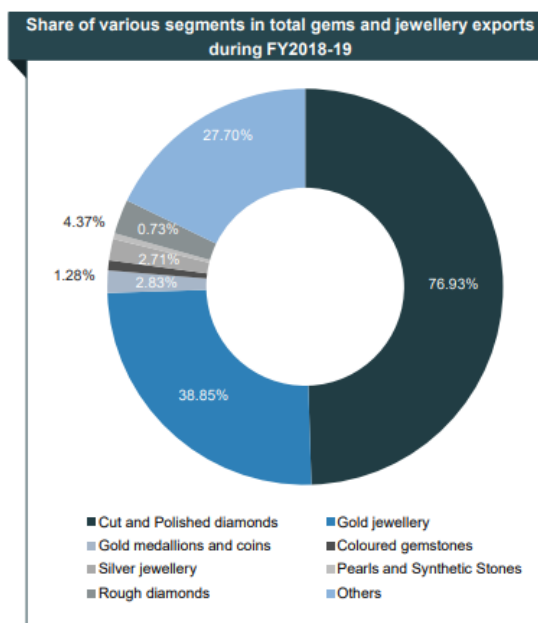
Market Overview and Trends:

- Gems and jewellery industry plays a vital role as it is one of the largest exporters and contributes a major chunk to the total foreign reserves of the country. The net exports rose from US\$ 15.66 billion in FY2004-05 to US\$ 30.96 billion in FY 2018-19, at a CAGR of 4.99 % over FY05-19.
- In FY18, Hong Kong, UAE and US accounted for 33 %, 25 % and 23 % respectively, accounted as major export destinations of gems and jewellery.
- The net exports of gems and jewellery stood at US\$ 4.99 billion in FY20P (as on May 2019 Provisional).
- Exports of gold coins and medallions stood at US\$ 686.51 million and silver jewellery exports stood at US\$ 765.98 million in FY19*.
- Deals worth Rs 8,000 crore (US\$ 1.19 billion) were made at the Indian International Jewellery Show held in August 2018.



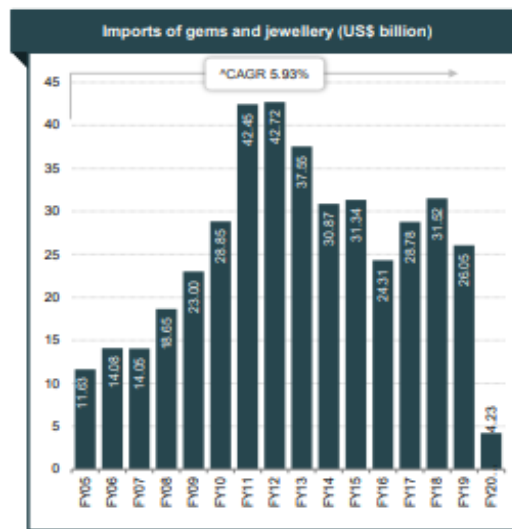
Share of various Segments of Gems and Jewellery in Total Exports

- India exports of gems and jewellery are composed of a variety of items like cut and polished diamonds, gold and silver jewellery, gold medallions and coins, coloured gemstones, pearls & synthetic stones, rough diamonds etc.
- Cut and polished diamonds account for the highest share of 76.93 % in total gems and jewellery exports as India exports 75 % of the world's polished diamonds.
- Gold jewellery accounts for the second highest share of 38.85 % followed by others with a share of 27.70 % and silver jewellery with a share of 2.71 %.
- Rough diamonds account for 4.36 % of the total gems and jewellery exports.



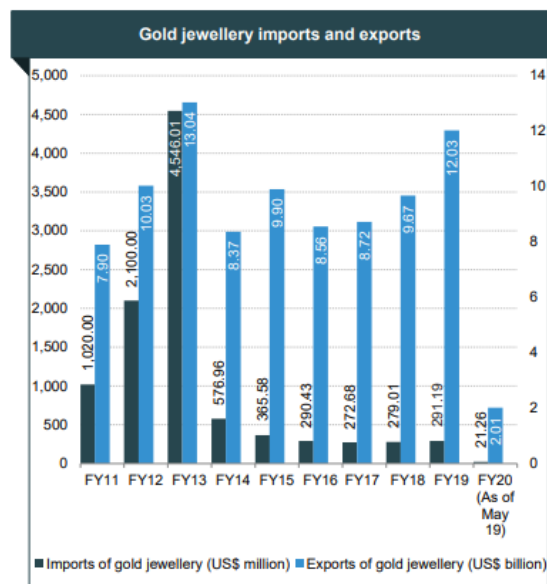
Import of Gems and Jewellery:

- India is a major importer of gems and jewellery as well.
- India's total gems and jewellery imports rose from US\$ 11.63 billion in FY05 to US\$ 26.05 billion in FY19, thereby registering a compound annual growth rate (CAGR) of 5.93 %.
- India's imports of gems and jewellery stood at US\$ 4.23 billion in FY20 (May Provisional).



Export and Import of Gems and Jewellery

- India is one of the largest gold jewellery exporters of the world and it exports to around 160 countries.
- In FY18, India's gold jewellery exports stood at US\$ 12,028.66 million and imports stood at US\$ 291.19 million.
- India's gold jewellery exports stood at US\$ 2.01 billion and imports stood at US\$ 21.26 million in FY 20 (as on April 2019 Provisional).
- Mostly high-end jewellery or machine-made jewellery is imported usually from Middle East or South East Asia.
- In fiscal year (FY) 2019, Indian's gross export of gold jewellery rose by 24.36 % to US\$ 12.03 billion.
- India's overall import is about 3 %, in terms of value US\$ 32.8 billion in 2018-19.



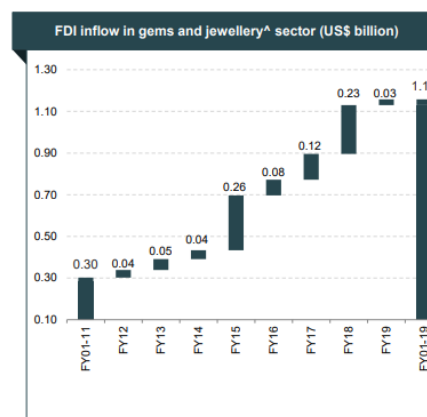
Government Initiative and Regulatory Framework:

The Goods and Services Tax (GST)	<ul style="list-style-type: none">• The Government of India has levied three per cent GST on gold, gold jewellery, silver jewellery and processed diamonds and 0.25 per cent on rough diamonds. Gems and Jewellery exporters are exempted from paying three per cent Integrated Goods and Services Tax (IGST) to banks from January 01, 2019.• As per Union Budget 2019-20, the GST rate has been reduced from 18 per cent to 5 per cent (*5 per cent without Input Tax Credit (ITC)) for services by way of job work in relation to gems and jewellery, leather goods, textiles etc..
Union Budget 2019-20	<ul style="list-style-type: none">• Under Union Interim Budget 2019-20, the Government of India provided a tax rebate to the middle class and farmers, which is expected to boost demand for jewellery in the country..
Corporate Tax Rate	<ul style="list-style-type: none">• The Government of India's proposal to cut corporate tax rates to 25 per cent for micro, small and medium enterprises (MSMEs) having annual turnover up to Rs 50 crore (US\$ 7.5 million) will benefit a large number of gems and jewellery exporters from MSME category.
FDI Policy	<ul style="list-style-type: none">• The Government of India has permitted 100 per cent Foreign Direct Investment (FDI) in the sector under the automatic route.
Demonetisation	<ul style="list-style-type: none">• The demonetisation move is encouraging people to use plastic money, debit/credit cards for buying jewellery. This is good for the industry in the long run and will create more transparency.• The government would notify a new limit for reporting about transactions in gold and other precious metals and stones to authorities, to avoid the parking of black money in bullion.
Gold spot exchange	<ul style="list-style-type: none">• Government of India's announcement on establishing gold spot exchange could help in India's participation in determining gold price in the international markets.
BIS Hallmarking Scheme	<ul style="list-style-type: none">• The Bureau of Indian Standards (BIS) has revised the standard on gold hallmarking in India from January 2018. The gold jewellery hallmark will now carry a BIS mark, purity in carat and fitness as well as the unit's identification and the jeweller's identification mark. The move is aimed at ensuring a quality check on gold jewellery.• GOI is considering to make hallmarking of gold jewellery sold mandatory
Gold Monetisation Scheme	<ul style="list-style-type: none">• Mr. Arun Jaitley, Minister of Finance, GOI, launched the Gold Monetisation Scheme in November 2015. This scheme enables individuals, trusts and mutual funds to deposit gold with banks and earn interest on the same in return.• The designated banks accept gold deposits under the Short Term (1-3 Years) Bank Deposit as well as Medium (5-7 years) and long (12-15 years) Term Government Deposit Schemes

Sovereign Gold Bond Scheme	<ul style="list-style-type: none"> The Government of India launched the Sovereign Gold Bond Scheme. This scheme enables the Reserve Bank of India (RBI) to issue gold bonds denominated in grams of gold individuals in consultation with Ministry of Finance. This scheme provides an alternative to owning physical gold. It is aimed at keeping a check on imports of gold.
Jewellery Park	<ul style="list-style-type: none"> A jewellery park worth Rs 50 crore (US\$ 7.8 million) is to be set up in Mumbai by the Government of India where local handmade workers and factories will be relocated to develop their trade, improve their work environment and standard of living. The Gems and Jewellery Export Promotion Council (GJEPC) signed a Memorandum of Understanding (MoU) with Maharashtra Industrial Development Corporation (MIDC) to build India's largest jewellery park in at Ghansoli in Navi-Mumbai on a 25 acres land with about more than 5000 jewellery units of various sizes ranging from 500-10,000 square feet. The overall investment of Rs 13,500 crore (US\$ 2.09 billion).
Common Facility Centres (CFCs)	<ul style="list-style-type: none"> The Government of India has inaugurated two Common Facility centres, one at Visnagar and second one at Palanpur. Gem Jewellery Export Promotion Council (GJEPC) has plans to open two more CFCs at Amreli and Ahmedabad. GJEPC also plans to set up a CFC at Thrissur, Kerala. Thrissur being a major jewellery cluster it would be suitable to set up a CFC to encourage in production and quality of manufacturing jewellery by creating awareness to modern machines to small units in and around Thrissur. A total of 200 small and medium manufacturers will receive access to the CFCs

Increasing FDI Inflows into the Sector

- Cumulative Foreign Direct Investment (FDI) in diamond and gold ornaments in India between April 2000- March 2019 stood at US\$ 1.16 billion.
- The Government of India permitted 100 per cent FDI in the sector through the automatic route.
- The Rs 250,000 crore (US\$ 35.77 billion) household jewellery industry is probably going to get a major lift through the government's decision for Foreign Direct Investment (FDI) in retail.



[Source: *IBEF Presentation on Gems & Jewellery, July 2019* (Make in India website, Ministry of New and Renewable Energy, IEA, Central Electricity Authority, Aranca Research, Assorted articles; CEA: MNRE, Corporate Catalyst India, IFLR; BP Statistical Review World Energy 2018; Ministry of Statistics and Program Implementation, CEA; Ministry of Power; News articles; Press Releases, Press Information Bureau, RNCOS Report, Department of Industrial Policy and Promotion (DIPP), Reserve Bank of India, Gem & Jewellery Export Promotion Council.

(B) Business Overview

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Prospectus, including the information contained in the section titled “Risk Factors”, beginning on page no. 20 of this Prospectus.

This section 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 section titled “Risk Factors” and the chapters titled “Financial Statements” and “Management Discussion and Analysis of Financial Conditions and Results of Operations” beginning on page no 134, 114 and 165 of this Prospectus.

Unless the context otherwise requires, in relation to business operations, in this section of this Prospectus, all references to “we”, “us”, “our” and “our Company” are to “Sona Hi Sona Jewellers (Gujarat) Limited”

OVERVIEW

Company Background

The Founder of our Company, Vijay Shah, had started a Proprietorship Concern in the name of M/s. Sona Hi Sona way back in 2000. The Proprietorship, then, was engaged in the business of Jewellery. He has been actively involved in the business of Jewellery since 2001 and with a vision to expand his business further. He, along with his wife, Alpaben Shah, incorporated a Company, “Sona Hi Sona Jewellers (Gujarat) Private Limited” as a private limited company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated February 09, 2010 bearing CIN U36910GJ2010PTC059513 issued by the RoC, Gujarat, Dadra and Nagar Haveli. Later, on September 09, 2010, the Company took over the entire business of the Sole Proprietorship which was founded by Vijay Shah in the year 2000, vide an Agreement for Sale and Purchase of Business dated September 09, 2010. For further details, kindly refer to Chapter titled “History and Corporate Structure of the Company” on page 109 of this Prospectus.

Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by our shareholders at the extra ordinary general meeting held on July 08, 2017 and consequently the name of our Company was changed to “Sona Hi Sona Jewellers (Gujarat) Limited” and a fresh Certificate of Incorporation was issued by the RoC, Ahmedabad dated July 19, 2017 bearing CIN U36910GJ2010PLC059513.

Vijay Shah and Alpaben Shah were the subscribers to the Memorandum of Association and are Promoters and Directors of our Company since Incorporation. Our Company runs its operation from Millenium Plaza, Vastrapur, Ahmedabad, a market known for bullion and Jewellery and is operating from the same Registered office since incorporation. Our Promoters Vijay Shah and Alpaben Shah have around 18 years and 7 years of experience, respectively in Gold and Jewellery industry and with their business notions, knowledge and management skills, we have served our customers.

Our Company has three brands (i) Sona Hi Sona (ii) Freya and (iii) Jinansh of which we mainly operate through its two known brands*, viz., Freya and Jinansh. Under Brand Freya, we deal in antique Jewellery & ornaments and under Brand Jinansh, we deal with American Diamond (AD) Jewellery, therein.

*We have made an application with the Trademark Registry for registration of both our brands along with the registration of our Company name for Trademark registration, therein. For further details,

please see the chapter titled “Government and Other Statutory Approvals” on page 179 of this Prospectus.

Our Company is into Job Work and Trading Business of Gold Jewellery and Ornaments. Our Company gets the job work done from outside for its own designs. However, our company does not perform any job work activity for other companies. Our Product Collection list includes Gold Jewellery with or without studded precious and semi-precious stones. Our Company offers our customers a broad variety of Gold Jewellery in order to cater to regional tastes. We also customize Jewellery on individual basis. The designing and job work of our products is done either in house or by third parties on job work basis. Apart from our own Jewellery we are also dealing in wholesale trading of branded Jewellery. We also deal in Real Diamond and Silver Jewellery and Ornaments. To reach up to the utmost customer satisfaction level, we design jewellery as per the Customer preference(s).

Being a customer-centric company, our prime focus is to attain the utmost client satisfaction by offering them quality products. We also deliver our products in a packaging material to ensure safe transport. Moreover, transparent business dealings and timely delivery of products help us in maintaining cordial relations with our customers. Our Company strives at all times to provide products that offers our customers the designs with desired finish and quality.

In the past 3 years, Total Revenue from operations of our Company was ₹ 5448.10 Lakhs in F.Y. 2016-17, ₹ 5903.26 Lakhs in F.Y. 2017-18 & ₹. 6717.98 Lakhs in F.Y. 2018-19 reflecting Net Profit after tax for the above – mentioned periods as ₹ 6.18 lakhs, ₹ 18.65 Lakhs and ₹ 38.86 Lakhs respectively.

OUR COMPETITIVE STRENGTH

1. Experienced Management

Promoters of our Company Vijay Shah and Alpaben Shah have been involved in Jewellery business for 18 years and 7 years of experience, respectively. Our Promoter, Vijay Shah, was engaged in the Jewellery Business since 2001. The Promoters of our Company have a background of Jewellery business and are actively involved in the operations of the Company. We get the benefit of experience from our Promoters and the core management team. Their relationship with suppliers, customers and other Industry participants have been instrumental in planning and implementing our growth strategies.

2. Design, Innovation and Product range

The wide experience of our Promoters in the Gold industry helps us to know about the exact requirement of the customers, which in turn helps to design the products accordingly. Our wide range of product offerings caters to diverse customer segments, from the value market to high-end customized Jewellery. Our product profile includes branded and combination designs across Jewellery lines, usages and price points.

3. Long term relations with clients:

We believe in providing quality products and timely delivery of the products as per the requirement of customers, which in turn has helped the Company to build very strong relations with them and the Company was able to fetch repetitive orders from the same customers.

4. Adding new designs to our portfolio:

Our marketing personnel regularly participate in exhibitions and trade fairs where they come across various new designs. *These* designs are forwarded to our in-house designers who improve upon it according to latest trends and requirements. Our in-house designers and our freelance designers also come up with their own designs and ideas which are showcased to our regular customers. The

customers in the jewellery world are discerning, knowledgeable and demanding. We bring innovative ideas and designs to our customers on a regular basis. Our Company intends to continue to add new designs to our jewellery portfolio by regularly participating in exhibitions and trade fairs.

5. Understanding of customer preference:

We believe that we can appeal to our customers through our understanding of market preferences and experience. We offer jewellery designs based on the general trends and specific customer requirements. We believe that our understanding of preferences and tastes coupled with variety of designs and jewellery offered by us, provides us with a competitive advantage in the markets in which we currently operate. Through our strategy of catering to different preferences, we believe that we are able to effectively compete with both unorganised and organised jewelers by establishing customer rapport at a local level.

6. Wide Range of our Jewellery:

Our Company has three brands (i) *Sona Hi Sona* (ii) *Freya* and (iii) *Jinansh* of which we mainly operate through its two known brands, viz., *Freya* and *Jinansh*. Under Brand *Freya*, we deal in antique Jewellery & ornaments and under Brand *Jinansh*, we deal with American Diamond (AD) Jewellery, therein. We also deal in Gold Jewellery with or without studded precious and semi-precious stones as well as in Real Diamond and Silver Jewellery and Ornaments.

7. Trademark* Business:

All the product sold at our Company are branded Jewellery and ornaments. Be it antique ornaments, American Diamond Jewellery or *any* other ornament/Jewellery sold in the ordinary course of business, each product is sold either under the brand *Freya*, *Jinansh* or *Sona Hi Sona*.




**We have made an application with the Trademark Registry for registration of both our brands along with the registration of our Company's logo for Trademark registration, therein.*




SWOT ANALYSIS

Strength <ul style="list-style-type: none"> ✓ Experience of Promoters ✓ Reputation and trust in the market ✓ Designs ✓ Showroom is located at a prime location i.e. Vastrapur, Ahmedabad ✓ Understanding of Customer Preferences 	Weakness <ul style="list-style-type: none"> ✓ Limited geographical area of Operations. ✓ Family owned unit resulting in Lack of Professionalism.
Opportunity <ul style="list-style-type: none"> ✓ To tie-up with chain Jewellery retail stores for supply of Jewellery ✓ To increase our customer base ✓ To increase our Job Work Products 	Threat <ul style="list-style-type: none"> ✓ We may face competition from organized and unorganized sector ✓ Competition from our Group Company which is involved in same line of business



OUR PRODUCTS


Product range along with their uses:

Sr. No	Product	Specification		Description
1.		Necklace with Earrings		Ignite the flame of passion with this Jadau set in fiery red & green rubies and for the rest, let the stone do the talking. This set can be used as a charm of bridal collection
		Type	Jadau Set	
		Purity	916 Hallmark	
		Variety	Antique Jadtar	
2.		Diamond Rings		Enjoy unique designs with diamond studded rings. It is sure to take your charm to another level.
		Type	Ring	
		Purity	916 Hallmark	
		Variety	Diamond Ring	
3.		Imperial Rings		Dress yourself up with this variety of gem / precious stone studded rings which looks magnificent on your fingers.
		Type	Gem studded Rings	
		Purity	916 Hallmark	
		Variety	Imperial Ring	
4.		Bracelet		Diamond Studded Bracelets with
		Type	Bracelet	
		Purity	916 Hallmark	

Sr. No	Product	Specification		Description
		Variety	Diamond Studded Bracelet	various varieties
5.		Jadau Bangles		Let your elegance shine effortlessly, yet simply with this floral arrangement of sparkles. Set in gold, these Jadau bangles are sure to become your favorite accessory.
		Type	Bangles	
		Purity	916 Hallmark	
		Variety	Antique Jadtar	
6.		Mangalsutra		Wear one to a wedding and make heads turn your way. With multiple gold and black beads and an intricate enamel set pendant, the Mangalsutra is an ethnic beauty.
		Type	Mangalsutra	
		Purity	916 Hallmark	
		Variety	Mangalsutra with diamond, jadtar and precious stone	
7.		Pendant with Earrings		Be a vision in gold with these Jadau-inspired a pendant with
		Type	Pendant with Earnings	

Sr. No	Product	Specification		Description
		Purity	916 Hallmark	earrings. The intricate design is beautifully complemented with the contemporary placement of pearls & Rubies. This type of jewellery also use in daily wear.
8.		Gold Bangles		Large variety of gold bangles with designs inside it. These bangles can be your daily wear. With endless of variety find your favorite one.
		Type	Bangles	
		Purity	916 Hallmark	
		Variety	Gold Bangles	
9.		Lucky		Experience royalty with this jadau inspired lucky. Wear elegant lucky complemented with pearls and rubies
		Type	Lucky	
		Purity	916 Hallmark	
		Variety	Lucky Bracelet	
10.		Pendant		Experience royalty with this jadau inspired lucky.
		Type	Lucky	
		Purity	916 Hallmark	

Sr. No	Product	Specification		Description
		Variety	Lucky Bracelet	Wear elegant lucky complemented with pearls and rubies.
11.		Gold Chains		Gold chains are favorite adornment for many people across world & especially for those who love having unique collections of gold chains for occasions. Among many other types of jewels, gold chain for kids are equally popular & are often gifted for special occasions such as birthday. With growth in technology & use of different methodology, today, many innovative designs are made.
		Type	Gold Chain	
		Purity	916 Hallmark	
		Variety	Gold chains with design	

Sr. No	Product	Specification		Description
12.		Gold Necklace with Pearls		Gold necklace is a beautiful ornament, which enhances the beauty of women's neck parts. Gold necklaces studded with precious stones like diamond, zircon and semi-precious stones like pearl, sapphire, ruby and emerald are the best suited to wear for occasions. These types of necklaces are very popular for marriage occasion.
		Type	Necklace	
		Purity	916 Hallmark	
		Variety	Antique necklace with white pearls	

**Images are for illustration purpose only. Actual product may vary either to some extent or completely.*

Our products consist of gold jewellery, diamond-studded jewellery, precious and semi-precious stone studded jewellery, gold coins, gold bullion. In these categories, we provide daily wear jewellery, jewellery for occasions, festival jewellery and wedding jewellery. Owing to the relationship we have built with our clients, customization of the jewellery, the quality, design & pattern of our jewelleries. We offer a wide range of jewellery options, including rings, earrings, pendants, bracelets, necklaces, chains and bangles.

OUR BUSINESS STRATEGY

1. Innovation in designing:

We have Jewelleries which are designed in-house as well directly purchased from other Jewellery designers. The Jewelleries are designed in traditional, modern and indo-western style. However, in order to cater to our customers taste, preference, choice and the ever-changing trends in the jewellery, we also customize the jewellery according to the individual needs, to keep pace with the latest trends in the market. As well as to gratify our consumer requirements, we strive to continuously develop new jewellery designs and themes.

2. Enhancing operating effectiveness & efficiency:

Our Company aims to continue to improve our operational effectiveness and efficiencies to achieve cost reductions including overheads. We believe that this can be done through continuous business process review and timely corrective measures in case of diversion and technology upgradation.

3. Continue to maintain strong relation with existing customers:

We believe maintaining good strong relationship with customers is a most critical factor in jewellery business. Through regular interactions with the Customers at our Showrooms, product sales trends and market research, we are able to determine current trends in the industry, which are used by us in the product development. We will continue to focus on timely delivery of quality products which will help in forging strong relationships with our customers and gaining increased business from them.

4. Marketing:

Our teams maintain an ongoing relationship with our customers. We also regularly solicit prospective customers by providing them with the structured findings and updated catalogues. Our marketing initiatives include participation in domestic trade fairs and jewellery exhibitions.

5. Focus on consistently meeting quality standards:

Our Company intends to focus on adhering to the highest quality standards of the jewellery. Quality and purity of the jewellery is very important for the company from the customer point of view. Continuous quality assurance review and timely corrective measures in case of diversion and technology upgradation are keys for maintaining quality standards of the jewellery. Providing the desired quality and purity in our jewellery helps us in enhancing our brand value and maintaining long term relationships with customers.

Location

Registered Office and showroom:

7 Millennium Plaza, Opp. Swaminarayan Mandir, Mansi Cross Road, Vastrapur, Ahmedabad - 380013, Gujarat, India.

PLANT, MACHINERY, TECHNOLOGY AND PROCESS

PLANT, MACHINERY AND TECHNOLOGY:

Since we are in trading business, no Plant and Machinery is required. The Computer system and network connectivity as part of office equipment are owned by the Company.

PROCESS:

Job working and Trading Process

Step 1: Procurement of Raw material

Raw Material required for Job work activity is gold, silver, platinum, alternate metals, diamonds and precious/ semi-precious stone. Our Company obtains raw material from the open market, we have identified suppliers of raw material. However, we are not depended on them for our requirement. Quality of the Raw Material is checked at this stage before sending it to Job work.

Step 2: Sending Raw Materials to Job workers

Raw material procured from the suppliers or from the open market are then sent to Job workers for further processing.

Step 3: Processing of Raw Materials

Job workers are provided with designs and specifications based on which the products are prepared.

Step 4: Quality testing after receipt of finished product from Job work

At this stage, we test finished products received from the Job workers. Those products which are not satisfactory or are found faulty are then sent to the Job workers for re-working.

Step 5: Packing

At this stage, finalized products are then taken for packing. Our Company uses the show room premises for completion of the same.

Step 6: Dispatch of Products to customers

At this stage, we inform the customers about completion of their products which are ready to be collected by them.

Collaborations, any Performance guarantee or assistance in marketing by the Collaborators

Our Company has not entered into any collaboration, or Performance guarantee or assistance for marketing with any Company.

INFRASTRUCTURE FACILITIES FOR RAW MATERIALS AND UTILITIES LIKE WATER, ELECTRICITY ETC.**RAW MATERIAL**

The raw material is Gold and Precious stones. The major purchase is of Gold and its price fluctuates on daily basis. The rates quoted by various agencies are considered and purchases are affected through Banking Channel on the lowest available prices. At the end of each day we endeavor to purchase the same amount of gold in Rupee terms that was sold in our showroom that day. Therefore, if the price of gold increases, we purchase less volume of gold compared with the volume of gold sold and vice versa. This practice helps to mitigate the risk of changes in gold prices.

WATER:

As we are in trading activity, water is required for drinking and sanitation purpose only.

ELECTRICITY, POWER AND FUEL:

Our existing power requirement for the administrative office is catered from "Torrent Power Limited". Our sanctioned power load is 4.00 KW and our existing consumption is approximately 1,041 units per month.

QUALITY MEASURES

We have stringent quality control process for procuring the raw material as well as sale of products to the wholesalers. We are getting the Jewellery manufactured on Job work basis from the third parties. We check the quality of Gold before handing over to job workers and also check the quality of gold and stones once we receive completed jewellery from the job workers.

Since the system of hallmarking is legally introduced, Company deals only in jewelry certified by Hallmark.

HUMAN RESOURCES

Human resource is an asset to any industry, sourcing and managing is very important task for the management. We believe that our employees are the key to the success of our business. We focus on hiring and retaining employees and workers who have prior experience in the jewellery Industry and wholesale marketing. We view this process as a necessary tool to maximize the performance of our employees.

As on the date of this Prospectus, we have the total strength of 9 permanent employees (including workmen) in various departments. The details of which is given below:

Sr. No.	Particulars	Employees
1.	Management	2
2.	Sales team	3
3.	Administrative and Accounts	4
	Total	9

We have not experienced any major strikes, work stoppages, labour disputes or actions by or with our employees and we have good and cordial relationship with our employees.

COMPETITION

Most of our customers source their requirements from a large number of manufacturers both domestic and international. Thus, we operate in a highly competitive market and competition in these markets is based primarily on quality, design, pricing of such product. To remain competitive in the market we strive to improve our design capability, reduce procurement and production cost and improve operating efficiencies. If we fail to maintain our strengths, our competitors will gain an advantage over us, which would adversely affect our market share and results of operation.

MARKETING AND DISTRIBUTION ARRANGEMENT


Our sales and marketing team is having experience of jewellery market. Our Sales team keeps contact and interacts with our customers to get feedback of our products and designs. The sales team also regularly approach new customers to explore and develop relationship with new customer. Our sales team is also directly selling the finished jewellery to other jewellery stores.



CAPACITY AND CAPACITY UTILISATION

Our jewellery manufacturing operations are carried out through job work by third parties. Thus, installed capacity or capacity utilization cannot be determined.

INTELLECTUAL PROPERTY RIGHTS

As on date of the Prospectus our company has applied for the following trademarks:

Sr. No.	Authority Granting Approval	*Application No.	Description of the Logo / Label / Device	Applicable Laws
1.	Trademark Registry	4184507 (Jinansh)	 JINANSH	Trademark Act, 1999

Sr. No.	Authority Granting Approval	*Application No.	Description of the Logo / Label / Device	Applicable Laws
2.		4184506 (Freya)		
3.		4184508 (Sona Hi Sona)		

**The Applications for all the three Trademarks have been made on May, 23, 2019. As on the date of this Prospectus, application no., 4184506 and 4184508 stands Objected whereas application no., 4184507 shows the status of Accepted and Advertised.*

PROPERTY

Details of Immovable Property:

The details of the Owned properties and Leased properties are given below:

Leasehold Land:

Particulars	Details
Name of Lessor	Rupalben Shah and Vijay Shah
Name of Lessee	Sona Hi Sona Jewelers (Gujarat) Limited
Description of Property	7, Millenium Plaza, Mansi Cross Road, Vastapur, Ahmedabad, 380015, Gujarat
Date of agreement	May 24 2019
Lease Rent	INR 40,000 per month
Usage	Commercial purpose
Area (Approx)	As set forth in the Schedule
Period	5 years starting from April 01, 2019 to March 31, 2024

INSURANCE

Particulars	Details
Name of the Insurance Company	The New India Assurance Co. Ltd
Name of Insured	Sona Hi Sona Jewelers (Gujarat) Limited
Policy No	21300048180300000060
Type of Policy	Money Insurance
Validity Period	22/11/2018 to 21/11/2019
Premium Paid (Rs)	INR 1,770
Sum Insured	INR 1,50,00,000
Risk Location	As mentioned in the Policy Schedule

Particulars	Details
Name of the Insurance Company	The New India Assurance Co. Ltd
Name of Insured	Sona Hi Sona Jewelers (Gujarat) Limited

Particulars	Details
Policy No	21300046180700000045
Type of Policy	Jewellers Block Insurance
Validity Period	22/11/2018 to 21/11/2019
Premium Paid (Rs)	INR 67,166 (including GST)
Sum Insured	INR 12,75,00,000
Risk Location	7, Millenium Plaza, Mansi Cross Road, Vastrapur, Ahmedabad, 380015, Gujarat

(C) Key Industry - Regulations

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

For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “Government and Other Statutory Approvals” beginning on page number 179 of this Prospectus.

The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designated not intended to substitute for professional legal advice. The statements below are based on the current provisions of Central and the State laws, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

I. Industry Regulations

The Micro, Small and Medium Enterprise Development Act, 2006 (“MSMED Act”)

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (“MSME”) the Micro, Small and Medium Enterprises Development Act, 2006 is enacted. The MSMED Act inter-alia empowers the Central Government to classify by notification, any class of enterprises including a company, a partnership, firm or any other undertaking engaged in the manufacture or production as specified in the first schedule to the Industries (Development and Regulation) Act, 1951, as follows:

- (i) A micro enterprise, where the investment in plant and machinery does not exceed ₹ 25.00 Lakhs;
- (ii) A small enterprise, where the investment in plant and machinery is more than ₹ 25.00 Lakhs but does not exceed ₹ 500.00 Lakhs; or
- (iii) A medium enterprise, where the investment in plant and machinery is more than ₹ 500.00 Lakhs but does not exceed ₹ 1,000 Lakhs.

Bureau of Indian Standards Act, 2016 (the “BIS Act”) and subsequent Rules

The BIS Act provides for the establishment of the Bureau of Indian Standards (“BIS”) for the development of activities of standardization, conformity assessment and quality certification of goods, articles, processes, systems and services. The BIS Act provides for the functions of the BIS

which includes, among others (a) publish, establish and promote Indian standards; (b) specify as Indian standard, any standard, established by any other institution in India or elsewhere, in relation to article or process; (c) undertake research for formulation of Indian standards. The BIS Act empowers the Central Government to order compulsory use of standard mark for any goods or article if it finds it expedient to do so in public interest. The BIS Act also provides the penalties in case there is a contravention of the provisions of the BIS Act. The Parliament of India has recently notified the Bureau of Indian Standards Act, 2016, to come into force on such date as the Central Government may, by notification in the Official Gazette, appoint, under which the functions and powers of BIS have been expanded and the categories that can be standardized have been increased to include services. Under this Act, import, distribution, sale, storage or exhibition for sale, any goods or article as prescribed shall not be done except under certification from the Bureau.

Legal Metrology Act, 2009 (the “L.M. Act”)

The L.M. Act governs the standards/units/denominations used for weights and measures as well as for goods which are sold or distributed by weight, measure or number. It also states that any transaction/contract relating to goods/class of goods shall be as per the weight/measurement/numbers prescribed by the L.M. Act. Moreover, the L.M. Act prohibits any person from quoting any price, issuing a price list, cash memo or other document, in relation to goods or things, otherwise than in accordance with the provisions of the L.M. Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in the Rules made by each State. The Act also provides Legal Metrology (Packaged Commodities) Rules, 2011, which may be followed for due compliance. These Rules regulate pre-packaged commodities in India and inter alia mandate certain labelling requirements prior to sale of such commodities.

The Gujarat Shops and Establishments Act, 1948

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

The Gujarat Shops and Establishment Act, takes a holistic approach while dealing with Shops and Establishments, it takes into consideration of every situation wherein the employer is placed, thus accordingly designing the provisions for him / her to smoothly run his / her establishment. It also takes into its view sight the conditions of the employees and it makes an attempt to safeguard their rights. Thus, all in all the Act is a very balanced legislation that takes into consideration the rights and conditions of both the employer and employee.

II. Environmental Regulations

Environment Protection Act, 1986 (“Environment Act”)

The Environment Act is an umbrella legislation designed to provide a framework for the Central Government to coordinate activities of various state and central authorities established under previous environmental laws. The Environment Act specifies that no person carrying on any

industry, operation or process shall discharge or emit or permit to be discharged or emitted any environment pollutants in excess of such standards as may be prescribed. The Environment Act empowers the Central Government to make rules for various purposes viz., to prescribe: (i) the standards of quality of air, water or soil for various areas; (ii) the maximum allowable limits of concentration of various environmental pollutants for different areas; (iii) the procedures and safeguards for the prevention of accidents which may cause environmental pollution and remedial measures for such accidents.

Environment (Protection) Rules, 1986 (“Environment Rules”)

In exercise of powers conferred under the Environment Act, the Central Government notified the Environment Rules. Pursuant to Environment Rules, every person who carries on an industry, operation or process requiring consent under Water (Prevention and Control of Pollution) Act, 1974 or Air (Prevention and Control of Pollution) Act, 1981 or shall submit to the concerned Pollution Control Board (“PCB”) an environmental statement for that financial year in the prescribed form.

Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)

The Air Act requires any individual, industry or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions, apply in a prescribed form and obtain consent from the PCB prior to commencing any activity. The PCB is required to grant, or refuse, consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed. Within a period of four months after the receipt of the application for consent the PCB shall, by order in writing and for reasons to be recorded in the order, grant the consent applied for subject to such conditions and for such period as may be specified in the order, or refuse consent.

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

The Water Act aims at prevention and control of water pollution as well as restoration of water quality through the establishment of a central PCB and state PCBs. Under the provisions of the Water Act, any individual, industry or institution discharging industrial or domestic waste water or establishing any treatment or disposal system or the using of any new or altered outlet for the discharge of sewage is required to obtain the consent of the applicable state PCB, which is empowered to establish standards and conditions that are required to be complied with. The consent to operate is granted for a specific period after which the conditions stipulated at the time of granting consent are reviewed by the state PCB. Even before the expiry of the consent period, the state PCB is authorized to carry out random checks on any industry to verify if the standards prescribed are being complied with by the industry. In the event of non-compliance, the state PCB after serving notice to the concerned industry may close the factory or withdraw water supply to the factory or cause magistrates to pass injunctions to restrain such polluters.

III. General Corporate Compliance

The Companies Act 1956 and the Companies Act, 2013

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013. The Companies Act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 (and the amendments thereof) is applicable to the

extent notified. The act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act.

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

IV. Employment and Labour Laws

Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees Provident Fund Scheme, 1952

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

The Employees Compensation Act, 1923

The Employees Compensation Act, 1923 ("EC Act") (and the amendments thereof) provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under the EC Act, the amount of compensation to be paid depends on the nature and severity of the injury. The EC Act also lays down the duties/obligations of an employer and penalties in cases of non-fulfilment of such obligations thereof. There are separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to submit to the Commissioner for Employees' Compensation a report regarding any fatal or serious bodily injury suffered by an employee within seven days of death\ serious bodily injury.

Employees Deposit Linked Insurance Scheme, 1976

The scheme shall be administered by the Central Board constituted under section 5A of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the

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

The Employees' Pension Scheme, 1995

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

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

The Employees' State Insurance Act, 1948 (the "ESI Act") an act to provide for certain benefits to employees in case of sickness, maternity and 'employment injury' and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government) other than seasonal factories. Provided that nothing contained in this sub-section shall apply to a factory or establishment belonging to or under the control of the Government whose employees are otherwise in receipt of benefits substantially similar or superior to the benefits provided under this Act. The ESI Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf.. A shop or establishment to which this act has become applicable shall be continued to be governed by this act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five-year period shall be relaxed in case of termination of service due to death or disablement.

Maternity Benefit Act, 1961

The Maternity Benefit Act, 1961 provides for leave and right to payment of maternity benefits to

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

Equal Remuneration Act, 1979

The 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 act was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution.

Child Labour Prohibition and Regulation Act, 1986

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

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

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

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

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an "Internal Complaints Committee" and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal

or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

Industrial Disputes Act, 1947 ("ID Act") and Industrial Dispute (Central) Rules, 1957

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

The Sales Promotion Employees (Conditions of Service) Act, 1976 ("Sales Promotion Act")

The Sales Promotion Act regulates the conditions of service of sales promotion employees and applies to pharmaceutical industry. It provides the conditions of appointment, leave and maintenance of registers and other documents of such employees. The Sales Promotion Act provides monetary penalties for breach of its provisions.

V. Tax Related Legislations

Income Tax Act, 1961 ("IT Act")

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

Value Added Tax

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

Note: The VAT Act now has been replaced by the Goods and Service Tax (GST) Act, 2017

Service Tax

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of 'taxable services', as specified in entry 39 defined therein. The service provider of taxable services is required to collect service tax from the recipient of such services and pay such tax to the Government. Every person who is liable to pay this service tax must register himself with the appropriate authorities. According to Rule 6 of the Service Tax Rules, every assessee is required to pay service tax in TR 6 challan by the 5th / 6th of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, the Company is required to file a half yearly return in Form ST 3 by the 25th of the month immediately following the half year to which the return relates.

Note: The Service Tax now has been replaced by the Goods and Service Tax (GST) Act, 2017

Central Sales Tax Act, 1956

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

Note: The CST Act now has been replaced by the Goods and Service Tax (GST) Act, 2017

Customs Act, 1962

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

The Central Excise Act, 1944

The Central Excise Act, 1944 ("Central Excise Act") consolidates and amends the law relating to Central Duties of Excise on goods manufactured or produced in India. Excisable goods under the Act means goods specified in the Schedule to the Central Excise Tariff Act, 1985 as being subject to duty of excise. Factory means any premises, including the precincts thereof, wherein or in any part of which excisable goods are manufactured, or wherein or in any part of which any manufacturing process connected with the production of these goods being carried on or is ordinarily carried out. Under the Act a duty of excise is levied on all excisable goods, which are produced or manufactured

in India as and at the rates, set forth in the First Schedule to the Central Excise Tariff Act, 1985.

Note: The Central Excise Act now has been replaced by the Goods and Service Tax (GST) Act, 2017

Goods and Service Tax (GST)

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by Centre on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination-based consumption tax GST would be a dual GST with the centre and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder. It replaces following indirect taxes and duties at the central and state levels:

Central Excise Duty, Duties of Excise (Medicinal and Toilet Preparations), additional duties on excise – goods of special importance, textiles and textile products, commonly known as CVD – special additional duty of customs, service tax, central and state surcharges and cesses relating to supply of goods and services, state VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by local bodies), taxes on advertisements, purchase tax, taxes on lotteries, betting and gambling.

It is applicable on all goods except for alcohol for human consumption and five petroleum products.

Taxpayers with an aggregate turnover of ₹ 20 lakhs would be exempt from tax. The exemption threshold for special category of states like North-East shall be ₹ 10 lakhs. Small taxpayers with an aggregate turnover in preceding financial year upto ₹ 75 lakhs (50 lakhs in case of special category states) may opt for composition levy. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% and 18%. There is a special rate of 0.25% on rough precious and semi-precious stones and 3% on gold. In addition, a cess of 15% or other rates on top of 28% GST applies on few items like aerated drinks, luxury cars and tobacco products.

Export and supplies to SEZ shall be treated as zero-rated supplies. Import of goods and services would be treated as inter-state supplies. Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen-digit registration number known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple location in a state, a separate application will be made for registration of each and every location. The registered assessee are then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

VI. Intellectual Property Legislations

Indian Patents Act, 1970

A patent is an intellectual property right relating to inventions and is the grant of exclusive right,

for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

The Copyright Act, 1957

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

Trade Marks Act, 1999

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

Designs Act, 2000

The Design Act, 2000 came into force in May 2001 to consolidate and amend the law relating to protection of designs. A design refers to the features of shape, configuration, pattern, ornamentation or composition of lines or colors applied to any article, in two or three dimensional or both forms. In order to register a design, it must be new and original and must not be disclosed to the public anywhere in India or any other country by publication in tangible form or in any other way prior to the filing date. A design should be significantly distinguishable from known designs or combination of known designs in order for it to be registerable. A registered design is valid for a period of 10 years after which can be renewed for a second period of 5 years, before the expiration of the original period of 10 years. After such period the design is made available to the public by placing it in the public domain.

VII. Other Laws

Competition Act, 2002

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

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

The Consumer Protection Act, 1986

The Consumer Protection Act, 1986 ("**CPA 1986**") came into effect on December 24, 1986, The CPA 1986 reinforces the interest and rights of consumers by laying down a mechanism for speedy grievance redressal. A consumer, as defined under the CPA 1986, or a recognized consumer association, or numerous consumers having the same interest, or the Central/State Government may lodge a complaint before the district forum or any other appropriate forum under the Consumer Protection Act, inter alia, where: (a) an unfair trade practice or a restrictive trade practice has been adopted by a service provider; (b) the services availed or agreed to be availed suffer from any deficiency in any material aspect; and (c) the provision of services which are hazardous or likely to be hazardous to life and safety of the public when used are offered by the service provider which such person could have known with due diligence to be injurious to life and safety.

In case of consumer disputes, the same can be referred to the redressal forums set up by the government such as the national commission, the state commission and the district forums. When a person against whom a complaint is made fails to or omits to comply with any order made by the forum/commission, such person shall be punishable with imprisonment for a term of not less than a month, but not exceeding three years, or a fine of not less than two thousand rupees, but not more than ten thousand rupees, or both.

The Sale of Goods Act, 1930 (Sale of Goods Act)

The law relating to the sale of goods is codified in the Sale of Goods Act, 1930. It defines sale and agreement to sell as a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price and provides that there may be a contract of sale between part owner and another and that the contract of sale may be absolute or conditional. According to the provisions of this Act, a contract of sale is made by an offer to buy or sell the goods for a price and the acceptance of such offer. The Act further provides that the contract may provide for the immediate delivery of the goods or immediate payment of the price or both or for the delivery or payment by instalments or that the delivery or payment or both shall be postponed. Provisions are made in this Act for existing or future goods, perishable goods, ascertainment of price, conditions and warranties, effects of the contract, delivery to courier, duties of seller and buyer, buyer's right of examining the goods, liability of buyer for neglecting or refusing the delivery of goods, rights of unpaid seller, suits for breach of the contract, sale, etc.

(D) History and Corporate Structure of The Company

History and Background

Our Company was originally incorporated as a private limited company under the provisions of Companies Act, 1956 and registered with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli with the name of “Sona Hi Sona Jewellers (Gujarat) Private Limited” on February 09, 2010. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by our shareholders dated July 08, 2017 and the name of our Company was changed to “Sona Hi Sona Jewellers (Gujarat) Limited” to reflect the legal status of our Company pursuant to a fresh certificate of incorporation granted by the Registrar of Companies, Ahmedabad dated July 19, 2017. The Corporate Identification Number of our Company is U36910GJ2010PLC059513. Vijay Shah and Alpaben Shah are the Promoters and original subscribers of our Company.

Business and Management

For information of our Company’s profile, activities, products, services, market of each segment, growth, technology, managerial competence, standing with reference to prominent competitors, major suppliers, please refer to chapter titled “*Business Overview*” and “*Industry Overview*” beginning on pages 85 and 76 of this Prospectus, respectively.

Changes in Registered Office of the Company

There has not been any change in the registered office of our Company since incorporation. Our Company’s Registered Office is situated at 7 Millennium Plaza, Opp. Swaminarayan Mandir, Mansi Cross Road, Vastrapur, Ahmedabad - 380013, Gujarat, India.

Key Events and Milestones in the History of Our Company

The following tables set forth the key events and milestones in the history of our company, since incorporation:

Financial Year	Events
2010	Incorporated as a Private Limited Company in the name and style of Sona Hi Sona Jewellers (Gujarat) Private Limited.
2010	Takeover of Sona Hi Sona, Sole Proprietorship vide an Agreement for Sale and Purchase of Business dated September 09, 2010
2010	Registered as Entrepreneurs Memorandum for setting up Micro, Small or Medium Enterprise.
2017	Conversion of company from Private Company to Public Limited Company.

Awards, Accreditations or Recognition

There are no Awards, Accreditations or Recognition of the Company as on the date of this Prospectus.

Main Objects of our Company

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

“To carry on in India or elsewhere the business either by using various designs graphically or otherwise to manufacture, produce, process, prepare, commercialize, cut, polish, set, design, develop, modify, prepare, animate, fabricate, display, exchange, examine, refine, finish, grind, grade, assort, import, export, buy, sell, resell, demonstrate, market and to act as importer, exporter, agent, broker, indenter, liaisoner, adatia, representative, C & F Agent, sales promote, supplier, provider, merchant, stockist,

distributor, wholesaler, retailer or otherwise to deal in all shapes, sizes, varieties, descriptions, specifications, applications, design and kinds of various gold, silver, platinum, jewellery, ornaments, gems, apparels, fashion-items, wearing items such as watches and other articles, goods, cutleries, utensils, antiques, articles and things, their parts, accessories, fittings, components, ingredients and materials thereof made partly or wholly of gold, silver, platinum or other metals and alloys thereof together with precious, semi-precious, imitation, synthetic, natural or other varieties of stones such as diamonds, ruby, pearls, gem stones, blue sapphires, cat's eye stone, coral, topaz, opal, zircon, tourmaline, spinel blue, moon stone, jasper, blood stone, gold metal and alloys thereof and for the purpose to act as goldsmith, silversmith, jewelers, gem merchants, electroplaters, polishers and purifiers.”

Amendments to the Memorandum of Association (MoA)

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

Date of Shareholder's Resolution	Particulars	Type of Meeting
February 09, 2010	The initial Authorised share capital of our Company was 25,00,000 divided into 2,50,000 Equity Shares of ₹ 10/- each.	-
March 14, 2011	Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital from ₹ 25,00,000 Lakhs divided into 2,50,000 Equity Shares of ₹ 10/- each to ₹ 50,00,000 divided into 5,00,000 Equity Shares of ₹ 10/- each.	Extra-Ordinary Meeting
July 29, 2013	Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital from ₹ 50,00,000 divided into 5,00,000 Equity Shares of ₹ 10/- each to ₹ 1,00,00,000 divided into 10,00,000 Equity Shares of ₹ 10/- each.	Extra-Ordinary Meeting
July 05, 2017	Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital from ₹ 1,00,00,000 divided into 10,00,000 Equity Shares of ₹ 10/- each to ₹ 10,10,00,000 divided into 1,01,00,000 Equity Shares of ₹ 10/- each.	Extra-Ordinary Meeting
July 08, 2017	Amendment of Memorandum of Association upon Conversion of our Company from a Private Limited Company to a Public Limited Company and the consequent change in name of our Company to <i>“Sona Hi Sona Jewellers (Gujarat) Limited”</i>	Extra-Ordinary Meeting
May 10, 2019	Clause V of Memorandum of Association was amended to reflect the increase in authorized capital from ₹ 10,10,00,000 divided into 1,01,00,000 Equity Shares of ₹ 10/- each to ₹ 28,00,00,000 divided into 2,80,00,000 Equity Shares of ₹ 10/- each	Extra-Ordinary Meeting

Other Details Regarding our Company

For details regarding the description of our activities, products, services, market of each segment, growth, technology, managerial competence, standing with reference to prominent competitors, major suppliers, please refer to chapter titled *“Management”, “Business Overview”, “Restated Financial Statements”, “Management’s Discussion and Analysis of Financial Position and Results of*

Operation” and “Industry Overview” beginning on pages 114, 85, 134, 165 and 76 of this Prospectus, respectively.

Capital raising activities through equity and debt

Except as mentioned in section titled “*Capital Structure*” beginning on page 49 of this Prospectus, our Company has not raised any capital through equity and debt. For details on the debt facilities of our Company, please refer to chapter titled “*Financial Indebtedness*” and “*Restated Financial Statements*” beginning on page 173 and 134 of this Prospectus, respectively.

Acquisition or divestments of business/undertakings, mergers and amalgamations in last Ten years

On September 09, 2010, our Company took over the entire business of the Sole Proprietorship which was founded by Vijay Shah in the year 2000, vide an Agreement for Sale and Purchase of Business dated September 09, 2010. The consideration for the purchase and taking over the running business of Sona Hi Sona, Sole Proprietorship, was fixed by way of allotment of Equity Shares to the Proprietor, Vijay Shah, of the equal amount of ₹ 7 Lakhs. That the takeover included taking over of all the assets and all the liabilities except liability in respect of Income Tax and Capital Gains in transfer of the business of the Proprietorship, as a going concern.

Time and cost overrun in setting up of projects

There have been no instances of time and cost overruns in setting up of our projects in the past and as regards our proposed project, except as described under section titled “*Risk Factors*” on page 20 of this Prospectus.

Launch of Key Products or services, entry in new geographies or exit from existing markets

Our Company launched two new brands, viz., JINANSH and FREYA on May 15, 2018. Our Company, thereafter, operates through its two brands till date. Under Brand Freya, we deal in antique Jewellery & ornaments and under Brand Jinansh, we deal with American Diamond (AD) Jewellery, therein.

Defaults or rescheduling of borrowings of our Company with Banks / financial institutions

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

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

There has been no change in the activities of our Company during the last five (5) years.

Injunction or Restraining Order

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

Holding / Subsidiary Company

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

Revaluation of assets

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

Shareholders and other Material Agreements

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

Capacity facility creation, location of plants

Our Company outsources the Job Work to third party manufacturers and thus has no plant of its own.

Strategic Partners

Our Company does not have any strategic partners as on the date of this Prospectus.

Financial Partners

Our Company does not have any strategic partners as on the date of this Prospectus.

(E) Shareholder's Agreement and other Agreements:

Our Company, Key Managerial Personnel, Director, Promoter or any other Employee, either by themselves or on behalf of any other person have not entered into any Agreement with any shareholder or any third party.

(E) Management

Board of Directors

In terms of the Companies Act, 2013, as amended, our Company is required to have not more than fifteen (15) Directors and not less than three (3) Directors. As on the date of this Prospectus, our Board comprises of five (5) Directors, out of which two (2) are Executive Directors including one (1) Women Director and (3) three Non-Executive Independent Director.

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

Sr. No.	Name, Age, Designation, Occupation, Address, Nationality, Term and DIN	Date of Appointment/ Reappointment as a Director	Other directorships
1.	Name – Vijay Shah Date of Birth - March 03, 1982 Age – 37 years Designation – Promoter, Chairman and Managing Director Occupation – Business Address – 19, Shyam Sundar Bungalows, Near Prahladnagar, Garden Satellite, Ahmedabad-380015, Gujarat, India. Nationality – Indian DIN – 02895347	Original appointed on: Incorporation i.e. February 09, 2010. Appointed as Managing Director on July 08, 2017	NIL
2.	Name – Alpaben Shah Date of Birth - June 10, 1982 Age – 37 years Designation – Whole Time Director and Chief Financial Officer Occupation – Business Address – 19, Shyam Sundar Bungalows, Near Prahladnagar, Garden Satellite, Ahmedabad-380015, Gujarat, India Nationality – Indian DIN – 02887435	Original appointed: incorporation i.e. February 09, 2010. Appointed as Whole Time Director: July 08, 2017. Appointed as Chief Financial Officer: July 18, 2017.	NIL
3.	Name – Nirav Shah Date of Birth – July 19, 1975 Age – 44 years Designation – Non-Executive Independent Director Occupation – Business Address –702 Gulab Tower, Sola Road, Opposite J.G Campus Ghatlodia Ahmedabad – 380061, Gujarat-, India, Nationality – Indian DIN – 07868247	Original appointed as Non-Executive Independent Director on July 05, 2017	1. Laxmi Goldorna House Limited

Sr. No.	Name, Age, Designation, Occupation, Address, Nationality, Term and DIN	Date of Appointment/ Reappointment as a Director	Other directorships
4.	Name – Manish Jain Date of Birth – January 15, 1985 Age – 34 years Designation – Non-Executive Independent Director Occupation – Professional Address –A 404, Prit Flat, Near Sonal Cross Road, Memnagar, Ahmedabad – 380052, Gujarat-, India. DIN – 07871644	Original appointed as Non-Executive Independent Additional Director on July 18, 2017 Regularised as Non-Executive Independent Director on September 28, 2017	1. Laxmi Goldorna House Limited
5.	Name – Jugal Dave Date of Birth – February 20 1982 Age – 37 years Designation – Non-Executive Independent Director Occupation – Business Address –Patel No Bhath, Ramji Mandir Tran Darwaja Patan – 384265, Gujarat-, India DIN – 07895716	Original appointed as Non-Executive Independent Additional Director on July 31, 2017 Regularised as Non-Executive Independent Director on September 28, 2017	1. Laxmi Goldorna House Limited

Relationship between our Directors

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

Sr. No.	Name of Director	Designation	Relationship with other Directors
(i)	Vijay Shah	Chairman and Managing Director	Spouse of Alpaben Shah
(ii)	Alpaben Shah	Whole Time Director and Chief Financial Officer	Spouse of Vijay Shah

Brief biographies of our Directors

Vijay Shah, Promoter, Chairman and Managing Director

Vijay Shah, aged 37 years, is the Promoter, Chairman and Managing Director of our Company. He has been Director of our Company since incorporation i.e. February 09, 2010. He was designated as a Managing Director of the Company w.e.f. July 08, 2017 in the Extra ordinary general meeting of company. He has completed his Higher Secondary Education from Gujarat Secondary Education Board, Gandhinagar, Gujarat. He plays pivotal role in business development, sales, administration and finance functions of our Company. He is entrusted with the responsibility of looking after the overall management and operations, planning and implementation of the strategies of our company.

Alpaben Shah, Promoter, Whole Time Director and Chief Financial Officer

Alpaben Shah, aged 37 years, is the Promoter, Whole Time Director and Chief Financial Officer of our Company. She holds a degree in Bachelor of Commerce (Advanced Accounting and Auditing) from

Gujarat University and she also holds a degree of Master of Commerce (Accountancy) from Gujarat University. She has been Director of our Company since Incorporation i.e. February 09, 2010 and was designated as Whole Time Director on July 08, 2017. She was designated as Chief Financial Officer on July 18, 2017. She is having experience of 7 years in our industry. Her knowledge of jewellery industry has contributed to the growth of our company.

Nirav Shah, Non-Executive (Independent) Director

Nirav Shah, aged 43 years, is the Non-Executive Independent Director of our Company. He was appointed as Additional Non-Executive (Independent) Director on July 05, 2017 and was regularised as Non- Executive Independent Director on July 05, 2017. He holds a degree in Bachelor of Commerce from Gujarat University.

Manish Jain, Non-Executive (Independent) Director

Manish Jain, aged 34 years, is the Non – Executive Independent Director of our Company appointed as additional Director (Independent Director) on July 18, 2017 and was regularised as Non -Executive (Independent) Director on September 28, 2017. He holds a Chartered Accountant degree from the Institute of Chartered Accountant of India.

Jugal Dave, Non-Executive (Independent) Director

Jugal Dave, 37 years, is the Non - Executive Independent Director of our Company. He was appointed as additional Director (Independent Director) on July 31, 2017 and was regularised as Non - Executive (Independent) Director on September 28, 2017. He completed his Bachelor of Commerce from Hemchandracharya North Gujarat University, Patan.

Confirmations

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

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

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

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

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

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

As on the date of this Prospectus, there are no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors was selected as Director or member of senior management.

Service Contract with our Directors

None of our directors have entered into any service contracts with our company except for acting in their individual capacity as Managing Director and/or Whole-Time Director and no benefits are granted upon their termination from employment other than the statutory benefits provided by our company.

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

Borrowing Powers of the Board

Our Articles, subject to the provisions of Section 180(1) (c) of the Companies Act, 2013, authorizes our Board, to raise or borrow and secure the payment of any sum or sums of money subject to the provisions of Section 180(1)(a) of the Companies Act, 2013 for the business purposes of the Company. The shareholders of the Company, through a special resolution passed at the Shareholders Meeting held on January 17, 2019 authorized our Board to borrow monies together with monies already borrowed by us up to ₹ 3500.00 Lakhs (Rupees Three Thousand Five Hundred Lakhs Only) by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the Company's assets and effects or properties whether moveable or immoveable, including stock-in-trade, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business] and remaining un-discharged at any given time, exceed the aggregate, for the time being of the paid-up capital of the Company and its free reserves.

Compensation and Benefits paid to the Managing Director Payment or benefit to Directors of our Company

Vijay Shah

Pursuant to a resolution passed by the Board of Directors at the meeting held on July 06, 2017 and by the shareholders of our Company at the EGM held on July 08, 2017, Mr. Vijay Shah was appointed as the Managing Director of our Company for a period of five years.

Name	Vijay Shah
Designation	Managing Director
Date of appointment	July 08, 2017
Period	For a period of five years starting July 08, 2017
Salary	Upto ₹ 3,60,000/- per annum
Remuneration paid in 2018-2019	NIL

Alpaben Shah

Pursuant to a resolution passed by the shareholders of our Company at the EGM held on July 08, 2017 Alpaben Shah was appointed as the Whole Time Director of our Company for a period of five years.

Name	Alpaben Shah
Designation	Whole – Time Director
Date of appointment	July 08, 2017
Period	For a period of five years starting July 08, 2017

Salary	Upto ₹ 3,60,000/- per annum
Remuneration paid in 2018-2019	NIL

1. Sitting Fees payable to Non-Executive Directors

Our Board of Directors in their meeting held on June 17, 2019 have decided to pay to Independent Directors and Non-Executive Directors of our Company may be paid sitting fees, commission and any other amounts as may be decided by our Board in accordance with the provisions of the Articles of Association, the Companies Act, 2013 and their appointment letters and other applicable laws and regulations.

Shareholding of Directors in our Company

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

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

Name of director	Number of equity shares	Percentage shareholding (%)
Vijay Shah	57,05,400	46.44%
Alpaben Shah	17,89,700	14.57%
Total	74,95,100	61.01%

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

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

Interest of directors

All the non-executive directors of the company may be deemed to be interested to the extent of sitting fees, if any, payable to them for attending meetings of the Board or Committee thereof and as well as to the extent of other remuneration and/or reimbursement of expenses payable to them as per the applicable laws. Our Executive Directors are interested to the extent of remuneration, discretionary performance, variable pay and annual retention, Bonus payable to them for services rendered to the company. The directors may be regarded as interested in the shares and dividend payable thereon, if any, held by or that may be subscribed by and allotted/transferred to them or the companies, firms and trust, in which they are interested as directors, members, partners and or trustees.

All directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by the issuer company with any company in which they hold directorships or any partnership or proprietorship firm in which they are partners or proprietors as declared in their respective declarations.

Except as stated under – “*Financial Statements*” on page 134 of this Prospectus, our company has not entered into any contracts, agreements or arrangements during the preceding two years from the date of the Prospectus in which our directors are interested directly or indirectly.

Interest in property

Except as otherwise stated in chapter titled “*Restated Financial Statements*” and “*Business Overview*” on page 134 and 85 of this Prospectus, our Directors have no interest in any property acquired by our Company since incorporation till the date of this Prospectus or proposed to be acquired by our Company.

Business interest

Except as stated in section titled “Financial Statements” on page 134 of this Prospectus, and to the extent of shareholding in our Company, and any dividends payable to them and other distributions in respect of the Equity Shares, our Directors do not have any other interest in our business.

Payment of benefits (non-salary related)

Except as statutory payments made by our Company, in the last two years, our company has not paid any sum to its employees in connection with superannuation payments and ex-gratia/rewards and has not paid any non-salary amount or benefit to any of its officers.

Loans to directors

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

None of the beneficiaries of loans, advances and sundry debtors, are related to the Directors of our Company. For details, please refer to chapter titled “Restated Financial Statements” on page 134 of this Prospectus.

Changes in the Board of Directors since incorporation

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

Name of the Directors	Date of Appointment / Regularisation	Date of Change in designation/ Cessation	Reason for Changes in the board
Vijay Shah	February 09, 2010	July 08, 2017	Re-designated as Managing Director
Alpaben Shah	February 09, 2010	July 08, 2017	Appointed as Whole Time Director
Nirav Shah	July 05, 2017	-	Appointed as Non-Executive Independent Director
Manish Jain	July 18, 2017	-	Appointed on board as Additional Non-Executive Independent Director
Jugal Dave	July 31, 2017		Appointed on board as Additional Non-Executive Independent Director
Manish Jain	September 28, 2017		Regularized as Non-Executive Independent Director
Jugal Dave	September 28, 2017		Regularized as Non-Executive Independent Director

Committees of the Board of directors

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

Audit Committee

Our Company in pursuant to section 177 of the Companies Act, 2013 constituted Audit Committee in the board meeting held on June 17, 2019.

The members of the Audit Committee are as follows:

Name of Directors	Designation	Nature of Directorship
Manish Jain	Chairperson	Non-Executive Independent Director
Nirav Shah	Member	Non-Executive Independent Director
Jugal Dave	Member	Non-Executive Independent Director

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

Terms of Reference

The terms of reference of Audit Committee shall be as under:

Role of Audit Committee:

The scope of audit committee shall include, but shall not be restricted to, the following;

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Scrutiny of inter-corporate loans and investments;
4. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
5. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
6. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
7. 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;

8. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
9. 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;
10. Discussion with internal auditors any significant findings and follow up there on;
11. 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;
12. 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;
13. 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;
14. To review the functioning of the Whistle Blower mechanism, in case the same is existing;
15. 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;
16. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
17. Valuation of undertakings or assets of the company, where ever it is necessary.
18. Evaluation of internal financial controls and risk management systems;
19. Monitoring the end use of funds raised through public offers and related matters.

Review of information by Audit Committee

The audit committee shall mandatorily review the following information:

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

Powers of the Audit Committee:

The audit committee shall have the powers, which should include the following:

1. To investigate any activity within its terms of reference;
2. To seek information from any employees;
3. To obtain outside legal or other professional advice; and
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

(ii) Nomination and Remuneration Committee

Our Company in pursuant to section 178 of the Companies Act, 2013 constituted Nomination and Remuneration Committee in the board meeting held on June 17, 2019.

The members of the Nomination and Remuneration Committee are as follows:

Name of Directors	Designation	Nature of Directorship
Jugal Dave	Chairperson	Non-Executive Independent Director
Nirav Shah	Member	Non-Executive Independent Director
Manish Jain	Member	Non-Executive Independent Director

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

The committee shall be governed by the "Terms of Reference" of the Nomination and Remuneration Committee as under and will carry out the following:

The terms of reference:

- 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;
- To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Devising a policy on Board diversity, if any;
- 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 of Directors their appointment and removal and shall carry out evaluation of every director's performance.

(iii) Stakeholders Relationship Committee

Our Company in pursuant to section 178 of the Companies Act, 2013 constituted Stakeholders Relationship Committee in the Board Meeting held on June 17, 2019.

The members of the Stakeholders Relationship Committee are as follows:

Name of Director	Designation	Nature of Directorship
Nirav Shah	Chairperson	Non-Executive Independent Director
Jugal Dave	Member	Non-Executive Independent Director
Manish Jain	Member	Non-Executive Independent Director

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

The committee shall be governed by the "Terms of Reference" of the Stakeholders Relationship Committee as under and will carry out the following:

Terms of Reference

- Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares;
- Redressal of shareholder and investor complaints like transfer of Shares, non-receipt of balance sheet, non-receipt of declared dividends etc.,
- Issue duplicate/split/consolidated share certificates;

- Dematerialization/Rematerialization of Share
- Review of cases for refusal of transfer / transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances and to otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- Such other matters as may from time to time are required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

Our Key Management Personnel

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Following are the Key Managerial Personnel of our Company:

Vijay Shah, Promoter, Chairman & Managing Director

Vijay Shah is the Promoter and Managing Director of our Company. He has been Director of our Company since incorporation. He was designated as a Managing Director of the Company w.e.f. July 08, 2017 in the Extra ordinary general meeting of company. He has completed his Higher Secondary Education from Gujarat Secondary Education Board, Gandhinagar, Gujarat. He plays pivotal role in business development, sales, administration and finance functions of our Company. He is entrusted with the responsibility of looking after the overall management and operations, planning and implementation of the strategies of our company.

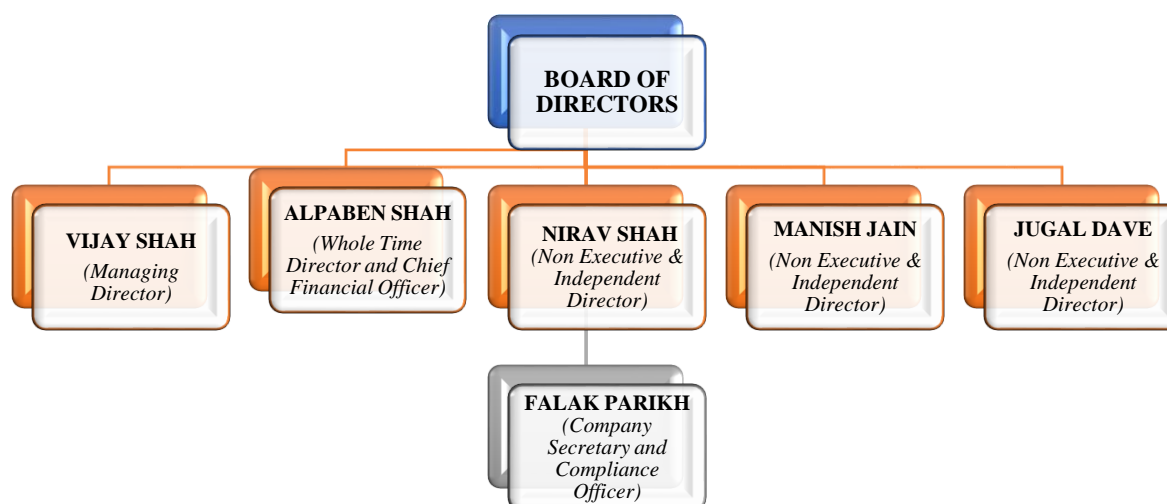
Alpaben Shah, Promoter, Whole Time Director and Chief Financial Officer

Alpaben Shah is the Promoter, Whole Time Director and Chief Financial Officer of our Company. She holds a degree in Bachelor of Commerce (Advanced Accounting and Auditing) from Gujarat University and she also holds a degree of Master of Commerce (Accountancy) from Gujarat University. She has been Director of our Company since Incorporation and was designated as Whole Time Director on July 08, 2017. She was re- designated as Chief Financial Officer on July 18, 2017. She is having experience of 7 years in our industry. Her knowledge of jewellery industry has contributed to the growth of our company.

Falak Parikh, Company Secretary and Compliance Officer

Falak Parikh is the Company Secretary and Compliance Officer and was appointed on May 01, 2019. She holds the degree of Company Secretary from Institute of Company Secretaries of India, Bachelor of Commerce (Advanced Accounting and Auditing) from Gujarat University & Masters of Commerce from Gujarat University. She is having experience of 2 years being company secretary and compliance officer of a Listed company.

Management Organization Structure



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

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

Promoter/Director	Key Managerial Personnel	Relation
Alpaben Shah	Vijay Shah	Spouse

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

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

Bonus or profit-sharing plan for Key Managerial Personnel

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

Shareholding of the Key Managerial Personnel

None of the Key Managerial Personnel except Vijay Shah & Alpaben Shah hold Equity Shares of our Company as on the date of this Prospectus. For further details, please refer to section titled “*Capital Structure*” beginning on page 49 of this Prospectus

Changes in Key Managerial Personnel

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

Name of Key Managerial Personnel	Designation	Date of change	Reason
Vijay Shah	Managing Director	July 08, 2017	Re-designation as Managing Director
Alpaben Shah	Whole Time Director	July 08, 2017	Appointment
Alpaben Shah	Chief Financial Officer	July 18, 2017	Appointment
Falak Parikh	Company Secretary and Compliance Officer	May 01, 2019	Appointment

Interest of Key Managerial Personnel

Except as disclosed in this Prospectus, the Key Managerial Personnel of our Company do not have any interest in our Company other than to the extent of their shareholding, remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Bonus or profit-sharing plan for the Directors

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

Loans taken by Directors or Key Managerial Personnel

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

Employees' Stock Option Plan

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


(F) Promoters / Principal Shareholders


Our Promoters

The Promoters of our Company are Vijay Shah and Alpaben Shah.

As on date of this Prospectus, our Promoters hold 74,95,100 Equity Shares, representing 61.01% of the subscribed and paid-up Equity Share capital of our Company.

Details about our Promoters

1.		<p>Vijay Shah, Promoter, Chairman and Managing Director</p> <p>Vijay Shah, aged 37 years, is the Promoter, Chairman and Managing Director of our Company. He has been Director of our Company since incorporation. He was designated as a Managing Director of the Company w.e.f. July 08, 2017 in the Extra ordinary general meeting of Company. He has completed his Higher Secondary Education from Gujarat Secondary Education Board, Gandhinagar, Gujarat. He plays pivotal role in business development, sales, administration and financial functions of our Company. He is entrusted with the responsibility of looking after the overall management and operations, planning and implementation of the strategies of our company.</p> <p>Date of Birth – March 03, 1982</p> <p>Age – 37 years</p> <p>DIN – 02895347</p> <p>Designation – Chairman and Managing Director</p> <p>Aadhar number – 6961 8383 3840</p> <p>Driving License – GJ01 20000517065</p> <p>Pan Card number – AUQPS1900H</p> <p>Address – 19, Shyam Sundar Bungalows, Near Prahladnagar, Garden Satellite, Ahmedabad-380015, Gujarat, India.</p> <p>Other Directorship - NIL</p> <p>As on date of filing of this Prospectus, Vijay Shah holds 57,05,400 Equity Shares representing 46.44% of the subscribed and paid-up Equity Share capital of our Company.</p> <p>For further details relating to Vijay Shah, i.e. his personal address, educational qualifications, experience, positions / posts held in the past, other directorships, please refer to chapter “<i>Management</i>” beginning on page 114 of this Prospectus.</p>
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2.		<p>Alpaben Shah, Promoter, Whole Time Director and Chief Financial Officer</p> <p>Alpaben Shah, aged 37 years is a Promoter, Whole Time Director and Chief Financial Officer of our Company. She holds a degree in Bachelor of Commerce (Advanced Accounting and Auditing) from Gujarat University. She also holds a degree of Master of Commerce (Accountancy) from Gujarat University. She has been Director of our Company since Incorporation i.e. February 09, 2010 and was designated as Whole Time Director on July 08, 2017. She was designated as Chief Financial Officer on July 18, 2017. Her knowledge of jewellery industry has contributed to the growth of our Company.</p> <p>Date of Birth – June 10, 1982</p> <p>Age – 37 years</p> <p>DIN – 02887435</p> <p>Designation – Promoter, Whole Time Director and Chief Financial Officer</p> <p>Aadhar number – 8209 2117 0179</p> <p>Driving License – GJ01 20120027766</p> <p>Pan Card number – BKZPS6593L</p> <p>Address – 19, Shyam Sundar Bungalows, Near Prahladnagar, Garden Satellite, Ahmedabad-380015, Gujarat, India.</p> <p>Other Directorship - NIL</p> <p>As on date of filing of this Prospectus, Alpaben Shah holds 17,89,700 Equity Shares representing 14.57% of the subscribed and paid-up Equity Share capital of our Company.</p> <p>For further details relating to Alpaben Shah, i.e. her personal address, educational qualifications, experience, positions / posts held in the past, other directorships, please refer to chapter titled “<i>Management</i>” beginning on page 114 of this Prospectus.</p>
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Confirmation

We confirm that the details of the permanent account numbers, bank account numbers and passport numbers of our Promoters will be submitted to the Stock Exchange at the time of filing the Prospectus with the Stock Exchange.

Further, our Promoters have confirmed that they have not been declared as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.

Additionally, none of the Promoters have been restrained from accessing the capital markets for any reasons by the SEBI or any other authorities.

Other ventures of our Promoters

Our Promoters are not involved in any other venture.

Change in the management and control of Our Company

There has not been any change in the management and control of our Company.

Experience of our Promoters in the business of Our Company

Our Promoters Vijay Shah and Alpaben Shah have experience in this sector of business for approx. seven years each.

For further details in this regard, please refer to chapter titled “*Management*” beginning on page 114 of this Prospectus.

Interest of Promoters in our Company

Interest of Promoters in our Company

Our Company is promoted by Vijay Shah and Alpaben Shah who hold 57,05,400 Equity Shares and 17,89,700 Equity Shares of our Company, respectively, as of the date of this Prospectus.

Our Promoters are interested in our Company to the extent of the promotion of our Company and to the extent of their shareholdings and directorships in our Company and the shareholding of their relatives in our Company and the dividend declared and due, if any, and employment related benefits paid by our Company. For further details, please refer section titled “*Capital Structure*” and “*Management*” beginning on pages 49 and 114, respectively of this Prospectus. Our Promoters may also be interested to the extent of providing personal guarantees for some of the loans taken by our Company. For further details, please refer section titled “*Capital Structure*” beginning on page 49 and “*Financial Statements*” on page 134, respectively of this Prospectus.

Our Promoters are also interested in our Company to the extent of being Executive Directors of our Company and the remuneration and reimbursement of expenses payable to them in such capacities. For further details in this regard, please refer chapter titled “*Management*” on page 114 of this Prospectus.

Interest in the properties of our Company

Except as mentioned in the chapter titled “*Business Overview*” on page 85 of this Prospectus, none of the Promoters and members of Promoter Group have any interest in any property acquired by or proposed to be acquired by our Company during a period of three years prior to filing of the Prospectus.

Interest as members of our Company

Our Promoters are interested to the extent of their shareholding, the dividend declared in relation to such shareholding, if any, by our Company. For further details in this regard, please refer section titled “*Capital Structure*” beginning on page 49 of this Prospectus.

No sum has been paid or agreed to be paid to our Promoters and they are not interested as members of any firm or any company and hence no sum has been paid or agreed to be paid to such firm or company in cash or shares or otherwise by any person for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Other Interest

Our Promoters are not interested in any transaction for acquisition of land or property, construction of building and supply of machinery, or any other contract, agreement or arrangement entered into by the Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

Interest of Directors in our Company

Interest in promotion of the company

Except as mentioned in the chapter titled “*Management*” on page 114 of this Prospectus, none of the Directors have any interest in promoting the company

Interest in the properties of our Company

Except as mentioned in the chapter titled “*Business Overview*” and “*Management*” and section titled “*Financial Statements*” on page 85, 114 and 134 of this Prospectus, none of the Directors have any interest in any property acquired by or proposed to be acquired by our Company during a period of three years prior to filing of the Prospectus.

Interest as members of our Company

None of the directors except the executive directors are the member of the company. For further details in this regard, please refer section titled “*Capital Structure*” beginning on page 49 of this Prospectus.

No sum has been paid or agreed to be paid to our directors except the remuneration or sitting fees payable to them as per the terms of appointment and they are not interested as members of any firm or any company and hence no sum has been paid or agreed to be paid to such firm or company in cash or shares or otherwise by any person for services rendered by our Directors or by such firm or company in connection with the promotion or formation of our Company.

Interest of Group Company in our Company

Interest in promotion of the company

Except as mentioned in the section titled “*Information with respect to Group Companies*” on page 181 of this Prospectus, none of the Group Companies have any interest in promoting the company.

Interest in the properties of our Company

Except as mentioned in the chapter titled “*Business Overview*” on page 85 of this Prospectus, none of the Group Companies have any interest in any property acquired by or proposed to be acquired by our Company during a period of three years prior to filing of the Prospectus.

Interest as members of our Company

None of the Group Companies are the member of the company. For further details in this regard, please refer section titled “*Capital Structure*” beginning on page 49 of this Prospectus.

No sum has been paid or agreed to be paid to our Group Companies and they are not interested as members of any firm or any company and hence no sum has been paid or agreed to be paid to such firm or company in cash or shares or otherwise by any person for services rendered by our Directors or by such firm or company in connection with the promotion or formation of our Company.

Payment or benefits to our Promoters in the last two years

Except in the ordinary course of business and as stated in section "*Financial Statements*" beginning on page 134 of this Prospectus, there has been no payment or benefits to our Promoters during the two (2) years preceding the date of filing of this Prospectus.

Related party transactions

For details of related party transactions entered into by our Promoters and Promoter Group during the last five (5) Financial Years, the nature of transactions and the value of transactions, please refer to section titled "*Financial Statements*" on page 134 of this Prospectus.

Interest of Promoters in Sales and Purchases

Other than as disclosed in section titled "*Financial Statements*" on page 134 of this Prospectus, there are no sales/purchases between our Company and our Promoters and Promoter Group, where such sales or purchases exceed in value the aggregate of 10% of the total sales or purchases of our Company or any business interest between our Company, our Promoters and Promoter Group as on the date of the last financial statements.

Guarantees

Except as stated in the chapter titled "*Financial Indebtedness*" and section titled "*Financial Statements*" beginning on page 173 and 134 of this Prospectus, respectively, there are no material guarantees given by the Promoters to third parties with respect to specified securities of the Company as on the date of this Prospectus.

Confirmations

Our Promoters and members of our Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five (5) years preceding the date of this Prospectus against our Promoters, except as disclosed under chapter titled "*Outstanding Litigations and Material Developments*" beginning on page 175 of this Prospectus.

Our Promoters are not and have never been a promoter or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or government authority.

Our Promoters are not interested in any entity except our Company and its Group Companies to the extent being a shareholder and holding directorship.

Our Promoters have not taken any unsecured loans which may be recalled by the lenders at any time.

Relationship of our Promoters with our Directors and our Key Managerial Personnel

Except as stated below, none of our Promoter and Company Directors or Key Managerial Personnel's are related to each other within the meaning of Section 2 (77) of the Companies Act.

Name of Promoter	Name of Director	Relationship
Vijay Shah	Alpaben Shah	Husband - Wife

Companies with which our Promoters have disassociated in the last three (3) years

Our Promoter, have disassociated themselves from any company or firm during the three (3) years preceding this Prospectus.

Name	Company Name	Designation	Date of Dis-association
Vijay Shah	Laxmi Infraspace Private Limited	Director	February 02,2019

Our Promoter Group

Our Promoters Group in terms of Regulations 2(1) (pp) of the SEBI (ICDR) Regulations 2018, is as under:

A. Natural persons who are part of the Promoter Group

RELATIONSHIP WITH PROMOTERS	VIJAY SHAH	ALPABEN SHAH
Father	Chinubhai Shah	Dineshkumar Shah*
Mother	Devilaben Shah	Hansaben Shah*
Brother	Jayesh Shah	-
Sister	Nipaben Shah* Sonal Shah* Sangita Shah*	Amishaben Shah* Pinky Shah*
Spouse	Alpaben Shah	Vijay Shah
Son	Jinansh Shah	Jinansh Shah
Daughter	Fenvi Shah Freya Shah	Fenvi Shah Freya Shah
Spouse's Father	Dineshkumar Shah*	Chinubhai Shah
Spouse's Mother	Hansaben Shah*	Devaliben Shah
Spouse's Brother	-	Jayesh Shah
Spouse's Sister	Amishaben Shah* Pinky Shah*	Nipaben Shah* Sonalben Shah* Sangita Shah*

**In context of the aforementioned persons, our Promoter has confirmed that the information related to the business/financial interest held by the said relatives is not accessible for the purpose of disclosure in the Draft Prospectus and Prospectus. Therefore, the disclosures made in the Prospectus are limited to the extent of information that has been made available by our Promoter in relation to the Promoter Group.*

B. Our Promoter Group as defined under Regulation 2 (pp) of SEBI ICDR Regulations 2018 includes entities, companies, firms, proprietorships and HUFs which form part of our Promoter Group are as follows:

1. Vijay C Shah HUF
2. Jayesh C Shah HUF
3. Laxmi Jewels
4. Laxmi Goldorna House Limited
5. Laxmi Infraspace Private Limited
6. Jirawala Association
7. Nirman Darshanam LLP
8. Laxmi Infrastructure
9. Laxmi Bulidcon
10. Laxmi Developers
11. Laxmi Infraspace

(G) Dividend Policy

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to the future expansion plans and capital requirements, profit earned during the financial year, capital requirements, and surpluses, contractual restrictions, liquidity and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, please refer chapter titled “*Business Overview*” beginning on page 85 of this Prospectus. Our Company may also pay interim dividends from time to time. All dividend payments are made in cash to the Shareholders of our Company. Our Company has not adopted any Dividend Distribution Policy as on the date of this Prospectus since the requirements under Regulation 43A of SEBI Listing Regulations are not applicable to the Company. However, depending upon the availability of distributable profits and fund flow, dividends maybe recommended by the Board of Directors.

Our Company has not declared and/or paid any dividend on the Equity Shares since incorporation.

SECTION IX - FINANCIAL STATEMENTS

Restated Financial Information

Independent Auditors' Report

To,

The Board of Directors,

Sona Hi Sona Jewellers (Gujarat) Limited

7, Millenium Plaza, Opp. Swaminarayan Mandir,

Mansi Cross Road, Vastrapur, Ahmedabad-380013

Gujarat, India

Auditors Report on Restated Financial Statement in connection with IPO of Sona Hi Sona Jewellers (Gujarat) Limited.

Dear Sirs,

1. We have examined Financial Statements and Other Financial Information of Sona Hi Sona Jewellers (Gujarat) Limited (the Company') formerly known as Sona Hi Sona Jewellers (Gujarat) Limited, taking into consideration the terms of reference and terms of our engagement agreed upon with you in connection with the proposed IPO of the Company and the Guidance Note (Revised 2019) on Reports in Company Prospectus issued by the Institute of Chartered Accountants of India. ("ICAI")
2. The said Restated Financial Statements and other Financial Information have been prepared for the year ended March 31, 2019, March 31, 2018 and March 31 2017 and Statement of Profit and Loss Account and Statement of Cash Flow for period ended March 31, 2019, March 31, 2018 and March 31 2017 for the purposes of inclusion in the Draft Prospectus and Prospectus 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 2018 ("ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") in pursuance to Section 11(ii) of Schedule VI of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
 - iii) The terms of reference to our engagements with the Company dated 10th June, 2019 requesting us to carry out the assignment, in connection with the Draft Prospectus and Prospectus being issued by the Company for its proposed IPO of equity shares on EMERGE Platform of National Stock Exchange Limited; and
 - iv) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("Guidance Note 2019").
3. In accordance with the requirements of Part I of Chapter III of Act including rules made there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
 - i) The "Restated Summary Statement of Assets and Liabilities" as set out in Annexure I to this report, of the Company for the Financial Years Ended March 31, 2019, 2018 and 2017 is prepared by the Company and approved by the Board of Directors in the board meeting held on 18th June, 2019. These Restated Summary Statement of Assets and Liabilities, have been

arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV** to this Report.

- ii) The **“Restated Summary Statement of Profit and Loss”** as set out in **Annexure II** to this report, of the Company for the Financial Years Ended March 31, 2019, 2018 and 2017 is prepared by the Company and approved by the Board of Directors in the board meeting held on 18th June, 2019. These Restated Summary Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV & V** to this Report.
 - iii) The **“Restated Summary Statement of Cash Flow”** as set out in **Annexure III** to this report, of the Company for the Financial Years Ended March 31, 2019, 2018 and 2017 is prepared by the Company and approved by the Board of Directors in the board meeting held on 18th June, 2019. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV** to this Report.
4. Based on the above and also as per the reliance placed by us on the audited financial statements of the Company and report thereon given by Dipesh Chokshi & Co, Chartered Accountants, being the Statutory Auditors of the Company for the Financial Years Ended March 31, 2019, 2018 and 2017 and to the best of our information and according to the explanation given to us, we are of the opinion that:
- i) The Restated Summary Statements have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
 - ii) The Restated Summary Statements have been made after incorporating adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments;
 - iii) Extra-ordinary items that needs to be disclosed separately in the accounts has been disclosed wherever required;
 - iv) There were no qualifications in the Audit Reports issued by the Statutory Auditors for the Financial Year Ended March 31, 2019, 2018 and 2017 which would require adjustments in this Restated Financial Statements of the Company;
 - v) Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV** to this report;
 - vi) Adjustments in Restated Summary Statements have been made in accordance with the correct accounting policies,
 - vii) There was no change in accounting policies, which needs to be adjusted in the Restated Summary Statements;
 - viii) There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statements.
 - ix) The Company has not paid any dividend since its incorporation.

5. Audit for the financial year ended 31st March 2019, 31st March, 2018 and 31st March, 2017 was conducted by M/s. Dipesh Chokshi & Co., (Chartered Accountants) accordingly reliance has been placed on the financial information examined by them for the said years. The financial report included for these years is based solely on the report submitted by them and no routine audit has been carried out by us. Further financial statements for the financial period ended on 31st March, 2019 have been re-audited by us as per the relevant guidelines.

Opinion:

1. In our opinion and to the best of information and explanation provided to us, the restated financial information of the Company, read with significant accounting policies and notes to accounts as appearing in Annexure IV are prepared after providing appropriate adjustments and regroupings as considered appropriate.
2. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the Financial Year Ended March 31, 2019, 2018 and 2017 proposed to be included in the Draft Prospectus / Prospectus ("Offer Document") for the proposed IPO.

Restated Statement of Share Capital, Reserves and Surplus	Annexure I.1, I.2
Restated Statement of Long Term and Short-Term Borrowings	Annexure I.3, I.4
Restated Statement of Deferred Tax (Assets) / Liabilities	Annexure I.10
Restated Statement of Trade Payables	Annexure I.5
Restated Statement of Other Current Liabilities and Short-Term Provisions	Annexure I.6, I.7
Restated Statement of Fixed Assets	Annexure I.8
Restated Statement of Non-Current Investments	Annexure I.9
Restated Statement of Long-Term Loan and advances	Annexure I.11
Restated Statement of Other current Asset	Annexure I.12
Restated Statement of Inventory	Annexure I.13
Restated Statement of Trade Receivables	Annexure I.14
Restated Statement of Cash & Cash Equivalents	Annexure I.15
Restated Statement of Short-Term Loans And Advances	Annexure I.16
Restated Statement of Other Current Assets	Annexure I.17
Restated Statement of Revenue from Operations	Annexure II.1
Restated Statement of Other Income	Annexure II.2
Restated Statement of Material Consumed	Annexure II.3
Restated Statement of Purchases of Stock in Trade	Annexure II.3.1
Restated Statement of Changes in Inventory	Annexure II.4
Restated Statement of Employee Benefit Expenses	Annexure II.5
Restated Statement of Finance Cost	Annexure II.6
Restated Statement of Depreciation & Amortization	Annexure II.7
Restated Statement of Other Expenses	Annexure II.8
Restated Statement of Exceptional Items	Annexure II.9
Material Adjustment to the Restated Financial	Annexure V
Restated Statement of Tax shelter	Annexure VI
Restated Statement of Capitalization	Annexure VII

Restated Statement of Contingent Liabilities	Annexure VIII
Restated Statement of Accounting Ratios	Annexure IX
Restated statement of related party transaction	Annexure X(A), X(B), X(C)

3. We, M/s. Bhagat & Company., Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India ("ICAI") and hold a valid peer review certificate issued by the "Peer Review Board" of the ICAI.
4. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.
5. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
6. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
7. In our opinion, the above financial information contained in Annexure I to X of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.
8. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO-SME for Proposed Issue of Equity Shares of the Company to be filed by the company with the SEBI, Registrar of Companies, Ahmedabad and concerned stock exchange and our report should not be used, referred to or distributed for any other purpose without our prior consent in writing.

For, BHAGAT & CO
Chartered Accountants

Sandeep H Mulchandani
Partner
M.NO.-144241
F.R.N: - 127250W

Date: June 18, 2019
Place: Ahmedabad

ANNEXURE – I: RESTATED STATEMENT OF ASSETS AND LIABILITIES

(₹ In lakhs)

Sr. No.	Particulars	As at 31st March		
		2019	2018	2017
A.	Equity and Liabilities			
1	Shareholders' Funds			
	Share Capital	728.54	728.54	79.97
	Reserves & Surplus	248.28	209.43	384.66
	Share application money pending allotment	-	-	-
2	Non-Current Liabilities	-	-	-
	Long-Term Borrowings	18.11	1.11	115.30
	Other Non-Current Liabilities	-	-	-
	Deferred Tax Liabilities	-	0.40	0.31
3	Current Liabilities	-	-	-
	Short Term Borrowings	1,212.48	1,277.11	635.67
	Trade Payables	-	-	-
	Other Current Liabilities	1.69	1.19	1.05
	Short Term Provisions	15.30	13.10	3.19
	Total	2,224.40	2,230.88	1,220.15
B.	Assets			
1	Non-Current Assets			
	Fixed Assets	-	-	-
	Tangible Assets	7.61	10.34	13.48
	Intangible Assets	0.47	0.95	1.42
	Capital Work in Progress	-	-	-
	Non-Current Investments	9.50	9.50	9.50
	Deferred Tax Assets	0.54	-	-
	Long Term Loan and Advances	-	-	0.02
	Other non-current assets	-	-	-
		-	-	-
2	Current Assets	-	-	-
	Inventories	1484.29	1,601.42	1,173.56
	Trade Receivables	696.56	579.78	-
	Cash and Bank Balances	19.73	18.75	21.05
	Short-Term Loans and Advances	5.70	10.13	1.12
	Other Current Assets	-	-	-
	Total	2224.40	2,230.88	1,220.15

Note: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, II & III.

ANNEXURE – II: RESTATED STATEMENT OF PROFIT AND LOSS
(₹ In lakhs)

Sr. No	Particulars	As at 31st March		
		2019	2018	2017
A.	Revenue:			
	Revenue from Operations	6,717.98	5,903.12	5,448.00
	Other income	-	0.14	0.10
	Total revenue	6,717.98	5,903.26	5,448.10
	Expenses:			
	Cost of Material Consumed	11.42	502.06	257.53
	Purchase of Stock in Trade	6366.58	5,697.31	5,090.32
	Changes in Inventories	105.72	(487.47)	(27.17)
	Employees Benefit Expenses	9.75	6.22	12.55
	Finance costs	153.32	116.18	84.31
	Depreciation and Amortization	3.57	3.61	3.69
	Other expenses	14.61	22.17	17.60
	Total Expenses	6664.96	5,860.07	5,438.82
	Profit/(Loss) before exceptional items and tax	53.03	43.19	9.28
	Exceptional Items	-	11.33	-
	Profit after exceptional items and before tax	53.03	31.87	9.28
	Tax expense:			
	Current tax	15.11	13.13	3.45
	Deferred Tax	(0.94)	0.09	(0.35)
	Profit/(Loss) for the period/ year	38.86	18.65	6.18
	Earning per equity share in ₹:			
	(1) Basic	0.53	0.26	0.77
	(2) Diluted	0.53	0.26	0.15

Note: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I & III.

ANNEXURE – III: RESTATED STATEMENT OF CASH FLOWS

(₹ In lakhs)

Particulars	As at 31st March		
	2019	2018	2017
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit/ (Loss) before tax	53.03	31.87	9.28
Adjustments for:	-	-	-
Depreciation	3.57	3.61	3.69
Interest Expense	153.33	116.19	79.00
Deferred Tax	-	0.09	-
Expense for Increase Authorise Capital	-	11.33	-
Preliminary Expenses W/Off	-	-	0.13
Operating profit before working capital changes	209.93	163.09	92.10
Movements in working capital:	-	-	-
(Increase)/ Decrease in Inventories	117.14	(427.86)	(98.20)
(Increase)/Decrease in Trade Receivables	(116.77)	(579.78)	133.75
(Increase)/Decrease in Loans & Advances	4.43	(9.00)	0.20
(Increase)/Decrease in Other Current Assets/ Non-Current Assets	-	-	-
Increase/(Decrease) in Trade Payables	-	-	-
Increase/(Decrease) in Short Term Borrowings	-	-	-
Increase/(Decrease) in Other Current Liabilities	-	-	-
Increase/(Decrease) in Short Term Provisions	0.79	0.41	(17.83)
Cash generated from operations	215.52	(853.14)	110.02
Income tax paid during the year	13.22	3.58	3.45
Preliminary expense incurred	-	11.33	0.13
Net cash from operating activities (A)	202.30	(868.05)	106.44
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	(0.36)	-	(0.19)
Net cash from investing activities (B)	(0.36)	-	(0.19)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Interest paid on borrowings	(153.33)	(116.19)	(79.00)
Proceeds/(Repayment) of Long Borrowings	17.00	(114.19)	82.56
Proceeds of Share Capital	-	73.34	-
Proceeds/(Repayment) of Short Borrowings	(64.63)	641.44	(104.16)
Proceeds from Securities Premium	-	381.35	-
Net cash from financing activities (C)	(200.96)	865.75	(100.60)
Net increase in cash and cash equivalents (A+B+C)	0.98	(2.30)	5.65
Cash and cash equivalents at the beginning of the year	18.75	21.05	15.40
Cash and cash equivalents at the end of the year	19.73	18.75	21.05

ANNEXURE - I.1: Restated Statement of Share Capital

(₹ In lakhs)

Particulars	As at 31st March		
	2019	2018	2017
Equity Share Capital			
Authorised Share Capital			
1,01,00,000 Equity Shares of ₹ 10 Each	1010.00	1,010.00	-
10,00,000 Equity Shares of ₹ 10 Each	-	-	100.00
Total	1010.00	1010.00	100.00
Issued, Subscribed & Fully Paid Up Share Capital			
72,85,350 Equity Shares of ₹ 10 Each fully Paid	728.54	728.54	-
7,99,700 Equity Shares of ₹ 10 Each fully Paid	-	-	79.97
Total	728.54	728.54	79.97

Notes:**I.1.1 Right, Preferences and Restrictions attached to shares:**

The Company has one class of equity shares having a par value of ₹ 10/- per share. Each Shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion of their shareholding.

I.1.2 Reconciliation of No. of Shares Outstanding at the end of the year

Particulars	As at 31st March		
	2019	2018	2017
Equity Shares			
Shares outstanding at the beginning of the year	72,85,350	7,99,700	7,99,700
Shares issued during the year	-	64,85,650	-
Share outstanding at the end of the year	72,85,350	72,85,350	7,99,700

ANNEXURE – I.2: Restated Statement of Reserves and Surplus

(₹ In lakhs)

Particulars	As at 31st March		
	2019	2018	2017
Reserves & Surplus			
Securities Premium			
Balance as at the beginning of the year	148.19	342.07	342.07
Add: Addition during the year	-	381.35	-
Less: Utilization for Bonus	-	575.23	-
Balance as at the end of the year	148.19	148.19	342.07
Balance in Statement of Profit & Loss			
Balance as at the beginning of the year	61.24	42.59	36.41
Add: Profit for the year	38.86	18.65	6.18
Less: Transfer to general Reserves	-	-	-
Less: Additional Dep pursuant to change in law	-	-	-
Balance as at the end of the year	100.09	61.24	42.59
Grand Total	248.28	209.43	384.66

Note I.2.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II & III.

ANNEXURE – I.3: Restated Statement of Long-Term Borrowings

(₹ In lakhs)

Particulars	As at 31st March		
	2019	2018	2017
Secured:			
<u>From Bank:</u>	-	-	-
Total	-	-	-
Unsecured:			
Loan from Related Parties	18.11	1.11	115.30
Total	18.11	1.11	115.30
Total	18.11	1.11	115.30

Note I.3.1: There were no re-schedulement or default in the repayment of loans taken by the Company.

Note I.3.2: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II & III.

ANNEXURE – I.4: Restated Statement of Short-Term Borrowings

(₹ In lakhs)

Particulars	As at 31st March		
	2019	2018	2017
Secured Loan Repayable on Demand			
Rupee Loan from Corporation Bank	1,212.48	1,277.11	633.38
HDFC Car Loan	-	-	2.29
Unsecured Loan Repayable on Demand:	-	-	-
Total	1,212.48	1,277.11	635.67

Note I.4.1 The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II & III.

ANNEXURE –I.5: Restated Statement of Trade Payables

(₹ In lakhs)

Particulars	As at 31st March		
	2019	2018	2017
Trade Payables due to	-	-	-
Micro and Small Enterprises	-	-	-
Others	-	-	-
Promotor/Promotor Group	-	-	-
Others	-	-	-
Total	-	-	-

Note I.5.1 The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II & III.

ANNEXURE – I.6: Restated Statement of Other Current Liabilities

(₹. In lakhs)

Particulars	As at 31st March		
	2019	2018	2017
Statutory Liabilities			
Duties & Taxes	1.01	0.51	0.57
Other Liabilities			
Sundry Creditors for Expenses	0.68	0.68	0.48
Other Current Liabilities	-	-	-
Grand Total	1.69	1.19	1.05

Note I.6.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II & III.

ANNEXURE – I.7: Restated Statement of Short -Term Provisions

(₹. In lakhs)

Particulars	As at 31st March		
	2019	2018	2017
Provision for Employees	-	-	-
Other Provisions			
Provision for Income Tax	15.00	13.10	3.19
Other Provisions	0.30		
Grand Total	15.30	13.10	3.19

Note I.7.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II & III.

ANNEXURE – I.8: Restated Statement of Fixed Assets

(₹. In lakhs)

Particulars	As at 31st March		
	2019	2018	2017
Tangible Assets			
Office Equipments			
Gross Block	2.25	1.89	1.89
Less: Accumulated Depreciation	1.66	1.49	1.28
Net Block	0.59	0.40	0.61
Furniture & Fixtures			
Gross Block	0.82	0.82	0.82
Less: Accumulated Depreciation	0.65	0.56	0.47
Net Block	0.17	0.26	0.35
Vehicles			
Gross Block	23.07	23.07	23.07
Less: Accumulated Depreciation	16.21	13.38	10.55
Net Block	6.86	9.69	12.52
Total Tangible Assets	7.61	10.34	13.48
Intangible Assets			
Gross Block	4.73	4.73	4.73
Less: Accumulated Depreciation	4.26	3.79	3.31
Net Block	0.47	0.95	1.42

Particulars	As at 31st March		
	2019	2018	2017
Total Intangible Assets	0.47	0.95	1.42

Note I.8.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II & III.

ANNEXURE – I.9: Restated Statement of Non-Current Investments

(₹ In lakhs)

Particulars	As at 31st March		
	2019	2018	2017
Investment in Equity instruments			
A. Aggregate amount of quoted investment	0	0	0
B. Aggregate amount of unquoted investment	-	-	-
Laxmi Goldorna House Pvt Ltd 9,50,000 Equity shares of ₹ 10 each	9.50	9.50	9.50
Non-Current Investments	9.50	9.50	9.50

Note I.9.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II & III.

ANNEXURE – I.10: Restated Statement of Deferred Tax Assets/(Liabilities) (Net)

(₹ In lakhs)

Particulars	As at 31st March		
	2019	2018	2017
Deferred Tax Assets			
Related to Fixed Assets	0.54	0	0
Loss Carried forward	0	0	0
Total (a)	0.54	0	0
Deferred Tax Liability			
Preliminary expenses	0	0	0
Related to Fixed Assets	0	0.40	0.31
Disallowance under the Income Tax Act	0	0	0
Total (b)	0	0.40	0.31
Net deferred tax (asset)/liability	0.54	0.40	0.31

Note I.10.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II & III.

ANNEXURE – I.11: Restated Statement of Long -Term Loan and advances*(₹ In lakhs)*

Particulars	As at 31st March		
	2019	2018	2017
Long term Loan	0	0.00	0.02
Total Other Current Asset	0	0.00	0.02

Note I.11.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II & III.

ANNEXURE – I.12: Restated Statement of Other Non-Current Asset*(₹ In lakhs)*

Particulars	As at 31st March		
	2019	2018	2017
Other non-current assets	-	-	-
Total Other Non-Current Asset	-	-	-

Note I.12.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II & III.

ANNEXURE – I.13: Restated Statement of Inventories*(₹ In lakhs)*

Particulars	As at 31st March		
	2019	2018	2017
A. Raw Materials and components			
Valued at Cost	-	11.42	71.04
B. Work in Progress			
Valued at Cost	-	-	-
C. Finished Goods			
Valued at Cost	-	1,458.20	966.15
D. Stock in-Trade			
Valued at Cost	1,484.29	131.80	136.37
G. Packing Material			
Valued at Cost	-	-	-
Grand Total	1,484.29	1,601.42	1,173.56

Note I.13.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II & III.

ANNEXURE – I.14: Restated Statement of Trade Receivables*(₹ In lakhs)*

Particulars	As at 31st March		
	2019	2018	2017
Outstanding for a period exceeding six months (Unsecured and considered Good)	-	-	-
From Directors/Promoters/Promoter Group/Associates/Relatives of Directors/ Group Companies.	-	-	-

Particulars	As at 31st March		
	2019	2018	2017
Others	-	-	-
Outstanding for a period not exceeding 6 months (Unsecured and considered Good)	-	-	-
From Directors/Promoters/Promoter Group/Associates/Relatives of Directors/ Group Companies.	-	-	-
Others	696.56	579.78	
Grand Total	696.56	579.78	

Note I.14.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II & III.

ANNEXURE – I.15: Restated Statement of Cash and Bank Balances

(₹ In lakhs)

Particulars	As at 31st March		
	2019	2018	2017
<u>Cash & Cash Equivalents</u>			
Cash in hand	19.73	18.75	21.05
<u>Balances with Banks:</u>			
Current Accounts			
Grand Total	19.73	18.75	21.05

Note I.15.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II & III.

ANNEXURE – I.16: Restated Statement of Short-Term Loans and Advances

(₹ In lakhs)

Particulars	As at 31st March		
	2019	2018	2017
Advances recoverable in cash or kind for the value to be considered good	-	-	-
Deposits:			
Unsecured & Considered good:			
Other Loans & Advances	5.70	10.13	1.12
Grand Total	5.70	10.13	1.12

Note I.16.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II III.

ANNEXURE – I.17: Restated Statement of Other Current assets*(₹ In lakhs)*

Particulars	As at 31st March		
	2019	2018	2017
Other Current assets	-	-	-
Grand Total	-	-	-

Note I.17.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II & III.

ANNEXURE – II.1: Restated Statement of Revenue from Operations*(₹ In lakhs)*

Particulars	As at 31st March		
	2019	2018	2017
Sale of Product	6,717.98	5903.12	5438.40
Sale of Services	-	-	-
Other Operating Revenue	-	-	9.60
Revenue from operations	6,717.98	5,903.12	5,448.00

Note II.1.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II & III.

ANNEXURE – II.2: Restated Statement of Other Income*(₹ In lakhs)*

Particulars	As at 31st March		
	2019	2018	2017
Interest on income Tax	-	0.01	-
Vatav and Kasar income	-	0.13	0.10
Grand Total	-	0.14	0.10

Note II.2.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II & III.

ANNEXURE – II.3: RESTATED STATEMENT OF COST OF MATERIAL CONSUMED*(₹ In lakhs)*

Particulars	As at 31st March		
	2019	2018	2017
Opening Stock	11.42	71.04	-
Purchase	-	442.44	328.57
Less: Closing Stock	-	11.42	71.04
Grand Total	11.42	502.06	257.53

Note II.3.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II & III.

ANNEXURE – II.3.1: RESTATED STATEMENT OF PURCHASES OF STOCK IN TRADE*(₹ In lakhs)*

Particulars	As at 31st March		
	2019	2018	2017
Purchases of Finished Goods	-	5,651.07	4,748.28
Purchases of Traded Goods	6,366.58	46.24	342.05
Grand Total	6,366.58	5,697.31	5,090.32

Note II.3.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II & III.

ANNEXURE – II.4: Restated Statement of Changes in Inventories*(₹ In lakhs)*

Particulars	As at 31st March		
	2019	2018	2017
Opening Stock			
Work in Progress	-	-	-
Finished Goods	1,458.20	966.15	996.09
Traded Items	131.80	136.37	79.26
Total (a)	1,590.00	1,102.53	1,075.35
Closing Stock			
Work In Progress	-	-	-
Finished Goods	-	1,458.20	966.15
Traded Items	1,484.29	131.80	136.37
Total (b)	1,484.29	1,590.00	1,102.53
Grand Total	105.72	(487.47)	(27.17)

Note II.4.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II & III.

ANNEXURE – II.5: Restated Statement of Employee Benefit Expense*(₹ In lakhs)*

Particulars	As at 31st March		
	2019	2018	2017
Salaries & wages	9.75	6.22	12.55
Contribution to PF & Other funds	-	-	-
Expenses on ESOP	-	-	-
Other Expenses	-	-	-
Grand Total	9.75	6.22	12.55

Note II.5.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II & III.

ANNEXURE – II.6: Restated Statement of Finance costs*(₹ In lakhs)*

Particulars	As at 31st March		
	2019	2018	2017
Interest on Borrowings	147.93	107.04	79.11
Others borrowing cost	5.39	9.14	5.20
Grand Total	153.32	116.18	84.31

Note II.6.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II III.

ANNEXURE – II.7: Restated Statement of Depreciation & Amortization*(₹ In lakhs)*

Particulars	As at 31st March		
	2019	2018	2017
Depreciation	3.57	3.61	3.69
Grand Total	3.57	3.61	3.69

Note II.7.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II & III.

ANNEXURE – II.8: Restated Statement of Other Expenses*(₹ In lakhs)*

Particulars	As at 31st March		
	2019	2018	2017
Rent Expense	4.80	4.80	4.80
Repairs to machinery	0.90	0.21	1.26
Insurance	1.11	1.37	1.04
Labour Expense	-	12.53	6.89
Rates and taxes, excluding, taxes on income	0.21	0.21	0.22
Audit Fees	0.30	0.53	0.33
Advertisement Expense	-	0.03	-
Electricity Expense	0.42	0.58	0.45
ICRA Rating Charge	0.63	0.33	0.49
Office Expense	0.18	0.20	0.33
Petrol Expense	0.38	0.59	0.69
Professional tax Expense	0.25	-	-
Professional fees	5.37	0.15	0.55
Stationery and Printing Expense	0.04	0.07	0.11
Telephone Expense	0.02	0.08	0.15
Other expenses	0.02	0.50	0.16
Preliminary Expenses w/off	-	-	0.13
Grand Total	14.61	22.17	17.60

Note II.8.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II & III.

ANNEXURE – II.9: Restated Statement of Exceptional Items*(₹ In lakhs)*

Particulars	As at 31st March		
	2019	2018	2017
Roc Fees for Increase in Authorized Capital	-	11.33	-
Grand Total	-	11.33	-

Note II.9.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II III.

I.1.5 Details of Shareholding more than 5% of the aggregate shares in the company

Name of Shareholder	31-Mar-19		31-Mar-18		31-Mar-17	
	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding
Alpaben V Shah	1,597,700	21.93%	1,597,700	21.93%	136,000	17.01%
Jayesh C Shah (Laxmi Jewellers)	1,050,000	14.41%	1,050,000	14.41%	210,000	26.26%
Jirawala Associations	2,173,500	29.83%	2,173,500	29.83%	434,700	54.36%
Vijay C Shah	2,463,400	33.81%	2,463,400	33.81%	19,000	2.38%
Total	7,284,600	99.99%	7,284,600	99.99%	799,700	100.00%

Note: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II III.

ANNEXURE – 1.3.2
STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

(₹ In lakhs))

Name of Lender	Purpose	Sanctioned Amount (₹)	Rate of interest	Securities offered	Re-Payment Schedule	Moratorium	Outstanding amount as on (as per Books)
							31.03.2019
CORPORATION BANK	Meet Working capital Requirement	1300.00	12.05%	Primary: Hypothecation of Inventory/stock cum book debts and all current assets of the company both present and future. <hr/> Collateral Security: 1. EMG of first charge on residential Bungalow property situated at 19, Shyamsunder Bungalows, Near Prahladnagar Garden, satellite, Ahmedabad-380015, admg. area 359 sq. yds. and buildup area 163.85 sq. yds. 2. EMG of first charge on NA land situated at Sy. no 74, (Draft TPS No 201 of Sarkhej Okar Sanathal, F P No 12) Mouje Sarkhej,	Cash Credit Limit Renewable Every Year.	Renewal on yearly basis	1212.48

Name of Lender	Purpose	Sanctioned Amount (₹)	Rate of interest	Securities offered	Re-Payment Schedule	Moratorium	Outstanding amount as on (as per Books)
							31.03.2019
				Taluka city, Distric Ahmedabad. 3. First charge on the entire 31.03.2018 fixed assets (both movable and immovable assets / proprieties) of the Company both present and future except vehicles.			
Total		1300.00					1212.48

Note: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II & III.

ANNEXURE – 1.3.3**STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS**

A) Details of Unsecured Loans outstanding as at the end of the latest Reporting period from Directors/Promoters/Promoter Group /Associates/Relatives of Directors/Group Companies/other entities

Unsecured Loans from Promoters/Directors are interest free and all are taken without any preconditions attached towards repayments.

(₹ In lakhs)

Name of Lender	Purpose	Rate of interest	Re-Payment Schedule	Moratorium	Outstanding amount as on (as per Books)
					31.03.2019
Alpaben V Shah	General Business Purpose	Nil	On demand	NA	17.00
Vijay C. Shah	General Business Purpose	Nil	On demand	NA	1.11
Sub Total					18.11

Note: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II & III.

Annexure – IV Summary Significant Accounting Policies

1. COMPANY INFORMATION

The Company was incorporated as “Sona Hi Sona Jewellers (Gujarat) Private Limited” at Ahmedabad, Gujarat as a Private company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated February 09, 2010 bearing Corporate Identification Number U36910GJ2010PTC059513 issued by Registrar of Companies, Ahmedabad, Gujarat. Consequent upon the conversion of the Company to public limited company and as approved by the shareholders of the company pursuant to a special resolution dated July 08, 2017, the name of the Company was changed to “Sona Hi Sona Jewellers (Gujarat) Limited” and fresh certificate of incorporation dated July 19, 2017 was issued by the Registrar of Companies, Ahmedabad, Gujarat. The Corporate Identification Number of the Company is U36910GJ2010PLC059513

The company is in the business of Job Work and Trading of branded Gold Jewellery and Ornaments.

2. SIGNIFICANT ACCOUNTING POLICIES

(1) Accounting Convention

The Restated Statement of Assets and Liabilities of the Company as on March 31, 2019, March 31, 2018 and March 31, 2017, and the Restated Statement of Profit and Loss and Restated Statements of Cash Flows for the period ended as on March 31, 2019, March 31, 2018 and March 31, 2017, and the annexure thereto (collectively, the “Restated Financial Statements” or “Restated Summary Statements”) have been extracted by the management from the Audited Financial Statements of the Company for the period ended as on March 31, 2019, March 31, 2018 and March 31, 2017,

The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2014 as per section 133 of the Companies Act, 2013.

The presentation of financial statements requires estimates and assumption to be made that affect the reported amount of assets & Liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which results are known/materialized.

(2) Use of Estimates

The preparation and presentation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities, if any, as at the date of the financial statements and reported amounts of income and expenses during the year. The difference between the actual results and estimates are recognized in the period in which results are known or materialized.

(3) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of all expenses incurred to bring the assets to its present location and condition. Borrowing cost directly attributable to the acquisition /construction are included in the cost of fixed assets. Adjustments arising from exchange rate variations attributable to the fixed assets

are capitalized.

Capital assets (including expenditure incurred during the construction period) under erection / installation are stated in the Balance Sheet as “Capital Work in Progress.”

(4) Impairment of Assets

At each balance sheet date, the Company reviews the carrying amount of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the assets and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the assets.

(5) Depreciation

All fixed assets, except capital work in progress, are depreciated on a Straight-line Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to / deletions from fixed assets made during the period is provided on pro-rata basis from / up to the date of such addition / deletion as the case may be.

(6) Investments

Long-term investment (excluding investment properties] are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually; at the lower of cost and fair value. Cost of investment include acquisition charges such as brokerage, fees and duties Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalized and depreciated (where applicable) in accordance with the policy stated for Tangible Fixed Assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.

(7) Inventories

Inventories are valued at the lower of cost (on weighted average basis) and the net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads.

(8) Revenue Recognition

Sale are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude excise duty, sales tax, value added tax and GST.

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred. Foreseeable losses on such contracts are recognised when probable.

(9) Borrowing Cost

Borrowing cost that are attributable to the acquisition, construction or production of qualifying

assets are capitalized as part of the cost of such assets. A qualifying assets is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

(10) Employee Benefits

Short – term employee benefits are recognized as an expense at the undiscounted amount in the profit & loss account of the year in which the related service is rendered.

Post-employment and other long-term employee benefits are recognized as an expense in the profit & loss account for the year in which the liabilities are crystallized.

Provision for Gratuity is not made as the number of employees is less than 10. Hence, Gratuity Act is not applicable

(11) Taxes on Income.

Income tax expenses for the year comprises of current tax and deferred tax. Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act. Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods subject to conditions of prudence and by applying tax rates that have been substantively enacted by the balance sheet date.

(12) Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent liabilities are not recognized nor disclosed in the financial statements.

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

(13) Net Profit or loss for the period, prior period items and changes in accounting policies

Material items of prior period, non-recurring and extra ordinary items are shown separately, If any.

(14) Cash Flow Statement:

Cash flow statement has been prepared as per requirements of Accounting Standard - 3. Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, according

(15) Related Party Disclosure

The Disclosures of Transaction with the related parties as defined in the Accounting Standard are given in Annexure

(16) Earning Per Share

Basic earnings per share (EPS) is calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by adjusting the number of shares used

for basic EPS with the weighted average number of shares that could have been issued on the conversion of all dilutive potential equity shares. The weighted average number of equity shares and potential

Annexure – IV Notes on Accounts

1. The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
2. The Company does have information as to which of its supplier are Micro small and Medium Enterprise registered under The Micro small and Medium Enterprise Development Act 2006. But the liability, if any, of interest which would be payable under The Micro small and Medium Enterprise Development Act 2006, cannot be ascertained and the Company has not received any claims in respect of such interest and as such, no provision has been made in the books of accounts.

3. Segment Reporting (AS 17)

The Company is required to disclose the information required by Accounting Standard- 17. No separate segments have, however, been reported as the company does not have more than one business Segment within the meaning of Accounting standard -17.

4. Change in Accounting Estimate

In Restated financials the Company has calculated the depreciation based on the rates given in Schedule II of the Companies Act, 2013. In respect of assets whose useful life had already exhausted as on 1 April 2015, has been adjusted in Reserves and Surplus in accordance with requirements of Para 7 of Part C of Schedule II of the Act.

5. Provisions, Contingent Liabilities and Contingent Assets (AS 29)

There are no contingent liabilities as on March 31, 2019 except as mentioned in Annexure-VIII, for any of the years covered by the statements.

6. Related Party Disclosure (AS 18)

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure – X of the enclosed financial statements.

7. Accounting for Taxes on Income (AS 22)

Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year/period is reported as under.

Particulars	As at 31st March		
	2019	2018	2017
Deferred Tax Assets	-	-	-
Related to Fixed Assets	0.54	0	0
Total (a)	0.54	0	0
Deferred Tax Liability			
Related to Fixed Assets	0	0.40	0.31
Total (b)	0	0.40	0.31

Particulars	As at 31st March		
	2019	2018	2017
Net deferred tax (asset)/liability{(b)-(a)} to be debited to Profit & loss Account	0.54	0.40	0.31

ANNEXURE – V: MATERIAL ADJUSTMENT TO THE RESTATED FINANCIAL STATEMENT

1 Material Regrouping

Appropriate adjustments have been made in the Restated Standalone Financial Statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

2. Material Adjustments:

The Summary of results of restatement made in the Audited Standalone Financial Statements for the respective years and its impact on the profit/(loss) of the Company is as follows:

(₹ In lakhs)

Particulars	For the Year Ended March 31,		
	2019	2018	2017
(A) Net Profits as per audited financial statements (A)	36.59	27.71	6.18
Add/(Less) : Adjustments on account of -			
1) ROC Expenses for increase Authorized capital	-	11.33	-
2) Reversal of expenses written off	-	(2.27)	-
3) Reversal of Expense debited to P/L	2.27	-	-
4) Prepaid exp of P.Y. Transfer to Expenses	-	-	-
5) Provision for Expenses	-	-	-
6) Provision of Previous year Entry reverse	-	-	-
7)Prepaid Expenses	-	-	-
Total Adjustments (B)	2.27	9.06	-
Restated Profit/ (Loss) (A+B)	38.86	18.65	6.18

ANNEXURE - VI: RESTATED STATEMENT OF TAX SHELTERS

(₹ In lakhs)

Sr. No	Particulars	As at 31st March		
		2019	2018	2017
A	Restated Profit before tax	53.03	31.87	9.28
	Short Term Capital Gain at special rate	-	-	-
	Normal Corporate Tax Rates (%)	26.00%	30.90%	30.90%
	Short Term Capital Gain at special rate			
	MAT Tax Rates (%)	19.055%	19.055%	19.055%
B	Tax thereon (including surcharge and education cess)			
	Tax on normal profits	13.79	9.85	2.87
	Short Term Capital Gain at special rate	-	-	-
	Total	13.79	9.85	2.87

Sr. No	Particulars	As at 31st March		
		2019	2018	2017
	Adjustments:	-	-	-
C	Permanent Differences			
	Deduction allowed under Income Tax Act	-	-	-
	Exempt Income	-	-	-
	Allowance of Expenses under the Income Tax Act	-	-	-
	Disallowance of Income under the Income Tax Act	-	-	-
	Disallowance of Expenses under the Income Tax Act	0.35	0.12	0.1
	Total Permanent Differences	0.35	0.12	0.10
D	Timing Differences			
	Difference between tax depreciation and book depreciation	1.47	1.03	0.54
	Provision for Gratuity disallowed	-	-	-
	Expense disallowed u/s 43B	-	-	-
	Total Timing Differences	1.47	1.03	0.54
E	Net Adjustments E= (C+D)	1.82	1.15	0.64
F	Tax expense/(saving) thereon	0.47	0.36	0.20
G	Total Income/(loss) (A+E)	54.85	33.02	9.92
	Taxable Income/ (Loss) as per MAT	54.50	32.90	9.82
I	Income Tax as per normal provision	14.26	10.20	3.07
J	Income Tax under Minimum Alternative Tax under Section 115 JB of the Income Tax Act	10.38	6.27	1.87
	Net Tax Expenses (Higher of I or J)	14.26	10.20	3.07
K	Relief u/s 90/91			
	Total Current Tax Expenses	14.26	10.20	3.07
L	Adjustment for Interest on income tax/ others	0	1.72	0.36
	Total Current Tax Expenses	14.26	11.92	3.43

Note: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II & III.

ANNEXURE - VII: RESTATED STATEMENT OF CAPITALISATION

(₹ In lakhs)

Sr. No	Particulars	Pre issue (as at March 31, 2019)	Post issue
	Debts		
A	Long Term Debt*	18.11	18.11
B	Short Term Debt*	1,212.48	1,212.48
C	Total Debt	1,230.59	1,230.59
	Equity Shareholders Funds		
	Equity Share Capital**	728.54	1,678.54
	Reserves and Surplus*	248.28	423.28
D	Total Equity	976.82	2,101.82

Sr. No	Particulars	Pre issue (as at March 31, 2019)	Post issue
E	Total Capitalization	2,207.41	3,332.41
	Long Term Debt/ Equity Ratio (A/D)	0.02	0.01
	Total Debt/ Equity Ratio (C/D)	1.26	0.59

Notes:

1. Long Term Debt are borrowings other than short-term borrowings and also includes current maturities of long- term debt included in other current liabilities.

**The amounts are considered as outstanding as on 31.03.2019*

ANNEXURE - VIII: RESTATED STATEMENT OF CONTINGENT LIABILITIES

(₹ In lakhs)

Particulars	As at 31st March		
	2019	2018	2017
1. Bank Guarantee/ LC Discounting for which FDR margin money has been given to the bank as Security	-	-	-
2. Capital Commitment	-	-	-
3. Income Tax Demand	-	-	-
4. TDS Demands	-	-	-
Total	-	-	-

ANNEXURE -IX: RESTATED STATEMENT OF ACCOUNTING RATIOS

(₹ In lakhs)

Particulars	As at 31st March		
	2019	2018	2017
Restated PAT as per P& L Account (₹ in Lakhs)	38.86	18.65	6.18
Actual No. of Equity Shares outstanding at the end of the year	7,285,350	7,285,350	799,700
Weighted Average Number of Equity Shares at the end of the Year (Note -2)	7,285,350	70,57,973	799,700
Net Worth	976.82	937.97	464.63
Current Assets	2206.28	2210.09	1195.73
Current Liabilities	1229.47	1291.40	639.91
No Of Shares (Pre Bonus)	7,285,350	7,285,350	799,700
No Of Shares (Post Bonus)	7,285,350	7,285,350	3,998,500
Earnings Per Share			
Basic EPS	0.53	0.26	0.77
Eps (Post Bonus)	0.53	0.26	0.15
Return on Net Worth (%)	3.98%	1.99%	1.33%
Net Asset Value Per Share (Rs)	13.41	18.05	58.10
Current Ratio	1.79	1.71	1.87
Nominal Value per Equity share after Share split (₹)	10	10	10

Notes:

1)The ratios have been calculated as below:

a) Basic Earnings Per Share (₹) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the year.

b) Diluted Earnings Per Share (₹) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the year.

c) Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100

d) Restated Net Asset Value per equity share (₹) = Restated Net Worth as at the end of the year/ Total Number of Equity Shares outstanding during the year.

2)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 the year multiplied by the time weighting factor. Further, number of shares are after considering impact of the bonus shares in the ratio of 4 bonus share for 1 fully paid up equity share to the existing shareholders (Allotted on July 26, 2017)

3)Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.

4)Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss)

5)The figures disclosed above are based on the Restated Financial Statements of the Company.

ANNEXURE-X: RESTATED STATEMENT OF RELATED PARTY DISCLOSURES AS RESTATED

As required under Accounting Standard 18 "Related Party Disclosures" as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.

A. List of Related Parties and Nature of Relationship:

Particulars	Name of Related Parties
1.Enterprises where control exist	
a) Companies	Laxmi Goldorna House Limited
b) Limited Liability Partnership	-
2.Other Related Parties:	
a) Key Management Personnel's	Vijay Chinubhai Shah
	Alpaben Vijavbhai Shah
b) Relatives of Key Management Personnel's	Jayesh Chinubhai Shah
	Rupal Jayeshbhai Shah
	Devilaben Chinubhai Shah
	Sonalben Pareshkumar Shah
	Jirawala Association

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II III.

B. Transactions carried out with related parties referred to in (1) above, in ordinary course of business:

(₹ in lakhs)

Nature of Transactions	Name of Related Parties	As at March 31		
		2019	2018	2017
1. Directors Remuneration	Viiay Chinubhai Shah	-	-	3.60
	Alpaben Vijavbhai Shah	-	-	3.60
Total		-	-	7.20
2. Rent paid to concern in which KMP or their relative is interested	Viiay Chinubhai Shah	2.16	2.16	2.40
	Rupal Jayeshbhai Shah	2.16	2.16	2.40
Total		4.32	4.32	4.80
3. Loan given/(Received) during the Year to Related Parties	Alpaben Vijavbhai Shah	(17.00)	1.51	(85.30)
	Viiay Chinubhai Shah	-	(1.11)	0.47
Total		(17.00)	0.40	(84.83)

Note: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II & III.

C. Outstanding Balance as at the end of the year

(₹ in lakhs)

Particulars	Name of Related Parties	Mar-19	Mar-18	Mar-17
1. Loan Payables	Viiay Chinubhai Shah	1.11	1.11	-
	Alpaben Vijavbhai Shah	17.00	-	115.30
Total		18.11	1.11	115.30

Note: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II & III.

Other events after the reporting period

1. Allotment of Equity Shares

- A) The Company has accorded consent of their shareholder to issue and allot 15,66,000 equity shares of ₹ 10 each at a price of ₹ 13.50 (including premium of ₹ 3.50 per share) for cash, through private placement on a preferential basis to the proposed allottees at the Extraordinary General Meeting (EGM) held on June 11, 2019. The company has allotted 15,66,000 equity shares to proposed allottees on June 17, 2019.
- B) The Company has accorded consent of their shareholder to issue and allot 34,34,000 equity shares of ₹ 10 each at a price of ₹ 13.50 (including premium of ₹ 3.50 per share), for other than cash, by conversion of unsecured loan into equity shares of the company to the proposed allottees at the Extraordinary General Meeting (EGM) held on January 17, 2019. The company has allotted 34,34,000 equity shares to proposed allottees on June 17, 2019.

After considering allotment referred in Point 1(A) and 1(B), the equity share capital of the company has increased to 1,22,85,350 equity Shares.

2. Increase in Authorized Share Capital of the company

The Company has accorded consent of their shareholder for increasing authorized share capital of the company from ₹ 10,10,00,000 divided into 1,01,00,000 equity shares of ₹ 10/- each to ₹ 28,00,00,000 divided into 2,80,00,000 equity shares of ₹ 10/- each at the Extraordinary General Meeting (EGM) held on May 10, 2019.

Other Financial Information

For details on other financial information please refer to Annexure IX - Statement of Accounting Ratios” on page 160 of this Prospectus.

Management's Discussion and Analysis of Financial Conditions and Results of Operations

The following discussion is intended to convey management's perspective on our financial condition and results of operations for the financial year ended March 31, 2019, 2018 and 2017. You should read the following discussions of our financial condition and result of operations together with our restated financial statements included in the Prospectus. You should also read the section entitled "*Risk Factors*" beginning on page 20 of this Prospectus, which discusses a number of factors, risks and contingencies that could affect our financial condition and result of operations. The following discussion relates to our Company and, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year ("Fiscal Year") are to the twelve-month period ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Sona Hi Sona Jewellers (Gujarat) Limited, our Company. Unless otherwise indicated, financial information included herein are based on our "*Restated Financial Statements*" for Financial Years 2019, 2018 and 2017 included in this Prospectus beginning on page 134 of this Prospectus.

BUSINESS OVERVIEW

Our Company is into Job Work and Trading Business of Gold Jewellery and Ornaments. *Our Company gets the job work done from outside for its own designs. However, our company does not perform any job work activity for other companies.* Our Product Collection list includes Gold Jewellery with or without studded precious and semi-precious stones. Our Company offers our customers a broad variety of Gold Jewellery in order to cater to regional tastes. We also customize Jewellery on individual basis. The designing and job work of our products is done either in house or by third parties on job work basis.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect within the next twelve months for the trading or profitability of the Company, the value of its assets or its ability to pay its liability. However, following material events have occurred after the last audited period i.e. March 31, 2019

- a. Falak Parikh has appointed as Company Secretary in the company w.e.f. on May 01, 2019.
- b. The shareholders of our Company have approved the proposal for increase in authorised capital from ₹ 10,10,00,000 divided into 1,01,00,000 Equity shares of ₹ 10 each to ₹28,00,00,000 divided into 2,80,00,000 Equity Shares in the extra-ordinary meeting held on May 10, 2019.
- c. The Shareholders of our Company have approved further Preferential allotment of 15,66,000 Equity shares on June 11, 2019 on private placement basis.
- d. The Resolution passed in the Extra Ordinary General Meeting (EGM) held on January 17, 2019 of our Company have approved Loan from Director and the Board of Director allotted 34,34,000 Equity shares on June 17, 2019 in lieu of Unsecured loan of ₹ 4,63,59,000.
- e. The shareholders of our Company in their extra-ordinary meeting held on June 19, 2019 authorised the board for Initial Public Offer.

DISCUSSION ON RESULT OF OPERATION

The following discussion on result of operations should be read in conjunction with the Audited Financial Results of our Company for the year ended 2019, 2018 and 2017.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “Risk Factors” beginning on page 20 of this Prospectus. Our results of operations and financial conditions could be affected by numerous factors including the following:

- General economic and business conditions
- Raw material availability and cost
- Demand for our Products
- Government policies for the Gold
- Competition from existing and new entrants
- Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate
- Currency fluctuation in market price of our products
- Employment conditions in the economy

OUR SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer Significant Accounting Policies, “Annexure IV” beginning under Chapter titled “Restated Financial” of our Company beginning on page 154 of this Prospectus.

DISCUSSION ON RESULTS OF OUR OPERATION

The following discussion on results of operations should be read in conjunction with the Audited Financial Results of our company for the years ended March 31, 2019, 2018 and 2017.

OVERVIEW OF REVENUE AND EXPENDITURE

Revenue of operations

Our primary revenue is from on job work and trading activity of gold ornaments

Other Income

Our other income consists of Vataw and Kasar income and Interest on Income Tax

Particulars	For the year ended March 31, 2019	% of Total Income	For the year ended March 31, 2018	% of Total Income	For the year ended March 31, 2017	% of Total Income
Income						
Revenue from operations	6717.98	100	5,903.12	100.00	5,448.00	100.00
Other Income	-		0.14	0.00	0.10	0.00
Total Revenue	6717.98	100	5,903.26	100.00	5,448.10	100.00

EXPENDITURE

Our total expenditure primarily consists of Employee benefit expenses and labour expenses, rent, and other expenses.

Employment Benefit Expenses

It includes salaries and allowances, staff welfare expenses and other expenses

Other Expenses

It includes expenses for labour expenses, Legal and professional Fees, Selling and Distribution Expenses, Shop rent and Vehicle Expenses, etc.

Finance Costs

Our finance costs mainly include Interest on Working capital Loan, Interest on others, Bank Charges and Loan processing Fees, etc.

Depreciation

Depreciation includes depreciation and amortization.

(₹ in Lakhs)

Sr. No	Particulars	For the Year Ended 31st March					
		2019	% of Total Income	2018	% of Total Income	2017	% of Total Income
A.	Revenue:						
	Revenue from Operations	6717.98	100	5,903.12	100.00	5,448.00	100.00
	Other income	-		0.14	0.00	0.10	0.00
	Total revenue	6717.98	100	5,903.26	100.00	5,448.10	100.00
B.	Expenses:						
	Cost of Material Consumed	11.42	0.17	502.06	8.50	257.53	4.73
	Purchase of Stock in Trade	6,366.58	94.77	5,697.31	96.51	5,090.32	93.43
	Changes in Inventories	105.72	1.57	(487.47)	(8.26)	(27.17)	(0.50)
	Employees Benefit Expenses	9.75	0.15	6.22	0.11	12.55	0.23
	Finance costs	153.32	2.28	116.18	1.97	84.31	1.55
	Depreciation and Amortization	3.57	0.05	3.61	0.06	3.69	0.07
	Other expenses	14.61	0.22	22.17	0.38	17.60	0.32
	Total Expenses	6,664.96	99.21	5,860.07	99.27	5,438.82	99.83
	Profit/(Loss) before exceptional items and tax	53.03	0.79	43.19	0.73	9.28	0.17
	Exceptional Items	-		11.33	0.19	-	
	Profit after exceptional items and before tax	53.03	0.79	31.87	0.54	9.28	0.17
	Tax expense:						
	Current tax	15.11	0.22	13.13	0.22	3.45	0.06
	Deferred Tax	(0.94)	(0.01)	0.09	0.002	(0.35)	(0.01)
	Profit/(Loss) for the period/ year	38.86	0.58	18.65	0.32	6.18	0.11

Break of Sales and Purchase for the Financial Year 2018-19

Particulars	Retail Sales	Wholesale Sales	Total
Silver Ornament	8.10	96.87	104.97
Gold Ornaments	68.36	6,328.38	6,396.74
Diamond	--	21.45	21.45
Gold Bar	16.78	178.04	194.82
Total			6,717.98

Particulars	Job Work	Manufacturing & Trading Activity	Total
Silver Ornament	--	31.83	31.83
Diamond	--	--	--
Gold Bar	207.12	--	207.12
Stones	--	--	--
Gold Ornaments and Raw Materials	--	6,127.63	6,127.63
Total			6,366.58

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2019 WITH FINANCIAL YEAR MARCH 31, 2018:**Income from Operations**

The company is in business of Job Work and Trading Business of Gold Jewellery and Ornaments. The total income from operations for the FY 2018-19 was ₹ 6,717.98 Lakhs as compared to ₹ 5,903.12 Lakhs during the FY 2017-18 showing increase of 13.80%. The increase is due to increase in scale of business.

Expenditure:**Total Expenses**

The total expenses for FY 2018-19 was ₹ 6,664.96 Lakhs which was 99.21% of the total revenue. In FY 2017-18 the material cost was ₹ 5,860.07 Lakhs which was 99.27 % of total Revenue. The material cost shows increase of 13.74% in FY 2018-19 compared to FY 2017-18 is due to increase in sales

Cost of Material Consumed & Purchase of stock in trade

Our cost of material consumed & purchase of stock-in trade for the FY 2018-19 was ₹ 6378. lakhs which has increased by 2.88 % as compared to ₹ 6199.37 lakhs in FY 2017-18. Increase in cost of material consumed & purchase of stock-in-trade was due to due to increase in sales

Changes in Inventory

Changes in inventory in stock-in-trade was ₹ 105.72 lakhs for the FY 2018-19 and ₹ (487.47) lakhs for FY 2017-18. Change in inventory was about 121.69 %.

Employee Benefits Expenses

The Employee benefit expenses for FY 2018-19 was ₹ 9.75 Lakhs as compared to the expenses of for FY 2017-18 which was ₹ 6.22 lakhs, showing Increasing of 56.75 %. The increasing in the employee benefit expenses was on account of increase in salary and wages.

Other Expenses

Other Expenses decreased from ₹ 22.17 Lakhs for FY 2017-18 to ₹ 14.61 Lakhs for FY 2018-19 showing decrease of 34.11%. Other expenses include mainly labour charges, shop Rent, telephone expense, electricity expense etc. The main reason for reduction in other expenses was due to reduction in electricity expenses, labour expenses, etc.

Financial Costs

Financial Costs increased from ₹ 116.18 Lakhs in FY 2017-18 to ₹ 153.32 Lakhs in FY 2018-19 showing increase of 31.97%. The increase in financial charges was due to increase in interest on borrowings, etc.

Depreciation

The Depreciation for FY 2018-19 was ₹ 3.57 Lakhs as compared to ₹ 3.61 Lakhs for FY 2017-18. The depreciation was decreased by 1.11 %.

Profit after Tax

Profit After Tax increased from ₹ 18.65 for the FY 2017-18 to ₹ 38.86 Lakhs in FY 2018-19 by 108.36%. The Profit After Tax for the FY 2018-19 was 0.58% of total revenue.

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2018 WITH FINANCIAL YEAR MARCH 31, 2017:

Income from Operations

The Company is into Job Work and Trading Business of Gold Jewellery and Ornaments. The total income from operations for the FY 2016-17 was ₹ 5,448.10 Lakhs as compared to ₹ 5,903.12 Lakhs during the FY 2017-18 showing increase of 8.35 %. The increase is due to increase in scale of business.

Expenditure:

Total Expense

The total expense for FY 2016-17 was ₹ 5,438.82 Lakhs which was 99.83 % of the total revenue. In FY 2016-17 the total expense was ₹ 5,860.07 Lakhs which was 99.27 % of total Revenue. The total expense is increase by 7.75% due to increase in finance cost, purchase of stock-in-trade due to the factors described below:

Cost of Material Consumed & Purchase of stock in trade

Our cost of material consumed & purchase of stock-in trade for the FY 2016-17 was ₹ 5,347.85. lakhs as compared to ₹ 6,199.37 lakhs in FY 2017-18. Increase in cost of material consumed & purchase of stock-in-trade was due to due to increase in sales.

Changes in Inventory

Inventory of finished goods and work-in-progress was drastically changed from ₹ (27.17) lakhs for F.Y. 2016-17 to ₹ (487.47) lakhs FY 2017-18 reflecting an increase of 1693.84%.

Employee Benefits Expenses

The Employee benefits expenses for FY 2016-17 was ₹ 12.55 Lakhs as compared to F.Y. 2017-18 which was ₹ 6.22 Lakhs in FY 2016-17 showing decrease of 50.44 %. The decrease in the employee expenses was due to reduction in managerial remuneration.

Other Expenses

Other Expenses increased from ₹ 17.60 Lakhs for FY 2016-17 to ₹ 22.17 Lakhs for FY 2017-18 showing increase of 25.98%. The other expenses include mainly labour charges, Rent and other related expenses. The main reason for reduction of the Other expenses was due to reduction of labour charges, miscellaneous expenses, raw material expenses.

Financial Costs

Financial Costs increased from ₹ 84.31 Lakhs for FY 2016-17 to ₹ 116.18 Lakhs for FY 2017-18 showing increase of 37.80%. The increase in financial charges was due to increase in the borrowing costs.

Depreciation and Amortization

The depreciation for FY 2016-17 was ₹ 3.69 Lakhs as compared to ₹ 3.61 Lakhs for FY 2017-18. The depreciation was decreased by 2.17 %.

Profit after Tax

Profit after tax increased from ₹ 6.18 lakhs for the FY 2016-17 to ₹ 18.65 Lakhs in FY 2017-18 by 201.78%.

Related Party Transactions

For further information please refer “Annexure X” under section titled “*Financial Statements*” beginning on page 134 of this Prospectus.

Financial Market Risks

We are exposed to financial market risks from changes in borrowing costs, interest rates and inflation.

Interest Rate Risk

We are currently exposed interest to rate risks to the extent of outstanding loans. However, any rise in future borrowings may increase the risk.

Effect of Inflation

We are affected by inflation as it has an impact on the operating cost, staff costs etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

Information required as per Item (II) (C) (i) of Part A of Schedule VI to the SEBI Regulations:

a. Unusual or infrequent events or transactions

To our knowledge there have been no unusual or infrequent events or transactions that have taken place during the last three years.

b. Significant economic changes that materially affected or are likely to affect income from continuing operations.

Our business has been subject, and we expect it to continue to be subject to significant economic changes arising from the trends identified above in ‘Factors Affecting our Results of Operations’ and the uncertainties described in the section entitled “*Risk Factors*” beginning on page 20 of

this Prospectus. To our knowledge, except as we have described in this Prospectus, there are no known factors which we expect to bring about significant economic changes.

c. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks as disclosed under Section titled "*Risk Factors*" beginning on page 20 in this Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

d. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.

Our Company's future costs and revenues will be determined by demand/supply in Gems and Jewellery sector.

e. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.

Increases in revenues are by and large linked to increases in volume of business.

f. Total turnover of each major industry segment in which the issuer company operated.

The Company is in the business of trading of gold ornaments. the relevant industry data, as available, has been included in the chapter titled "*Industry Overview*" beginning on page 76 of this prospectus.

g. Status of any publicly announced new products or business segment.

Our Company has not announced any new product and segment.

h. The extent to which business is seasonal.

Our Company's business is not seasonal. However, our business is occasional in nature with significant sales during the festive season and other significant seasons occasion.

i. Any significant dependence on a single or few suppliers or customers.

We are not dependent significantly on single customers or few suppliers for March 31, 2019:

Particulars	Suppliers	Customers
Top 10 (%)	93.89%	93.92%
Top 5 (%)	76.28%	74.11%

j. Competitive conditions.

Competitive conditions are as described under the Chapters titled "*Industry Overview*" and "*Business Overview*" beginning on pages 76 & 85, respectively of this Prospectus.

Capitalization Statement

For details on other financial information please refer to Annexure VII – Statement of Capitalisation” on page 159 of this Prospectus.

Financial Indebtedness

Our Company has availed certain loans in ordinary course of business. Unless otherwise stated, the approvals and/or sanctions are availed as on the date of this Prospectus

A. SECURED BORROWINGS

Details of the Loan taken from Corporation Bank as per the Sanction Letter dated February 22, 2019.

Nature of Facility	Cash Credit
Purpose	Working capital requirements
Sanctioned Amount	1,300 lakhs
Rate of Interest	1-year MCLR as on August 15, 2018 (8.85%) + 3.20% i.e. 12.05% p.a (as applicable to CB5 gradation) at present subject to revision from time to time.
Repayment	CC-Running account repayable on demand subject to annual renewal
Primary Security	Hypothecation of inventory / stock cum book debts and all current assets of the Company both present and future.
Collateral Security	<ol style="list-style-type: none"> 1. EMG of the first charge on residential bungalow property situated at 19, Shyamsunder Bungalows, Near Prahladnagar Garden, Satelite, Ahmedabad - 380015, 2. EMG of first charge on NA Land situated at Sy no 74, (Draft TPS No 201 of Sarkhej Okar Sanathal F P No 12) Mouje Sarkhej, Taluka city, District Ahmedabad 3. First charge on entire fixed assets (both movable and immovable assets / properties) of company both present and future except vehicles financed by other Banks / FIs
Guarantors	<ol style="list-style-type: none"> 1. Vijay Shah 2. Alpaben Shah 3. Chinubhai Shah
Outstanding as on March 31, 2019	₹ 1212.48/- lakhs

Restrictive Covenants/ Terms and Condition as per sanction letter

- 1.The unsecured loans (Quasi Equity) raised by company on 31-03-2018 shall be subordinated to the credit limits sanctioned by our bank and the same shall not be repaid during the currency of the said credit limits
2. The company shall not divert working capital funds for payment of installments under term loans, meeting cost of acquisition of additional fixed assets etc.
3. The borrower shall not transfer / invest funds of the company in whatsoever manner without obtaining prior consent of the bank

4. The Company shall obtain NOC from the bank for availing of credit facilities from other Banks/FI's, further expansion of business, taking up new business activity or setting up/ investing in a subsidiary whether in same business line or unrelated business

5. The Company shall not invest any amount for acquisition of fixed assets without any long-term arrangement and without maintaining a current ratio of 1.25: 1.

6. During the currency of banks credit facilities, the company will not, without Banks prior permission in writing;

- Effect changes in company capital structure
- Formulate any scheme of amalgamation / reconstitution
- Enter into the borrowing arrangement either secured or unsecured with any other bank, financial institution, company, firms and persons.
- Undertake guarantee obligation on behalf of company, firms and persons
- Create any further charge, lien or encumbrance over the assets and properties of the company, which are to be charged to our bank, in favour of any other bank, financial institution, company, firms and persons
- Sell, assign and mortgage or otherwise dispose off any of the fixed assets charged to the bank

B. UNSECURED BORROWINGS

Set forth below is the brief summary of our company's unsecured borrowings as at March 31, 2019:

(₹ in lakhs)

Sr. No	Nature of Borrowing	Amount	Outstanding as on March 31, 2019
1.	Loans from related parties		
	1. Vijay Shah	1.11	-
	2. Alpaben Shah	17.00	-
	Total		18.11/-

SECTION X - LEGAL AND OTHER INFORMATION

(A) Outstanding Litigations and Material Developments

The details of outstanding litigation or proceedings relating to our Company, our Directors and our Promoters are described in this section in the manner as detailed below:

*Except as stated in this section, there are no outstanding: A.(I) criminal proceedings; (II) actions taken by statutory or regulatory authorities, (III) disciplinary action including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five Fiscals, including outstanding action, (IV) claims related to direct and indirect taxes in a consolidated manner, (V) details of any other pending material litigation which are determined to be material as per a policy adopted by our Board ("**Materiality Policy**"), in each case involving our Company, Promoters and Directors (the "**Relevant Parties**").*

For the purpose of (V) above, our Board in its meeting held on June 18, 2019 has considered and adopted a policy of materiality for identification of material litigation involving the Relevant Parties.

- (1). In terms of the Materiality Policy, all pending litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five Fiscals including outstanding action, and tax matters, would be considered 'material' if:*
 - (a) the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of 10 % of the profit after tax of our Company as per the restated financial statements of our Company as on 31st March, 2019 or*
 - (b) the monetary liability is not of any such pending quantifiable, however, the outcome proceedings may have a bearing on the business, operations, prospects or reputation of our Company.*

B. (i) outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.

For this purpose, our Board pursuant to board resolution dated June 18, 2019 has considered outstanding dues to any creditor of the Company having monetary value which exceeds 10% of the profit after tax of the Company as per the latest restated consolidated financial statements of the Company disclosed in the Prospectus, as material.

Except as stated in this section, there are no outstanding material dues to creditors of our Company.

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.sonahisona.com

It is clarified that for the purposes of the above, pre – litigations notices received by our Company Promoters, and the Directors shall, unless otherwise decided by the Board, not be considered as material litigations until such time that litigations proceedings are initiated before any judicial forum.

A. Litigation involving our Company

l) Litigation against our Company

a) Criminal Proceedings

As on the date of this Prospectus, there are no pending criminal proceedings against our Company.

b) *Actions by statutory or regulatory authorities*

As on the date of this Prospectus, there are no pending actions by statutory or regulatory authorities against our Company.

c) *Tax Claims*

Direct Tax

i. **Income Tax**

The outstanding amount of Rs.1,953/- is as per the pending amounts reflected in the online records of the website of the Income-tax Department i.e TDS defaults for TANs (Deductors) As on date, no other demand notices or other proceedings have been issued to served upon the Company calling upon the Company to pay the above amount.

ii. **TDS**

Number of Cases	Amount to the extent ascertainable (₹)
1	1953/-

Indirect Tax

NIL

d) *Other Pending Material Litigations*

As on the date of this Prospectus, there are no pending material litigations filed by our Company

II) **Litigation by our Company**

a) *Criminal Proceedings*

As on the date of this Prospectus, there are no pending criminal proceedings filed by our Company.

b) *Actions involving statutory or regulatory authorities*

As on the date of this Prospectus, there are no pending matters by our Company against statutory or regulatory authorities.

c) *Tax Claims*

Direct Tax

NIL

Indirect Tax

NIL

d) *Other Pending Material Litigations*

As on the date of this Prospectus, there are no pending material litigations filed by our Company.

B. **Litigation involving our Directors**

I) **Litigation against our Directors**

a) *Criminal Proceedings*

NIL

b) *Actions by statutory and regulatory authorities*

As on the date of this Prospectus, there are no pending actions by statutory or regulatory authorities against our Directors.

c) *Tax Claims*

Direct Tax

Demand raised for an amount of Rs.28,855/- under Section 245 of the Income Tax Act, 1961 for A.Y 2010-2011 in respect of Vijay Chinubhai Shah.

Indirect Tax

NIL

d) *Other Pending Material Litigations*

As on the date of this Prospectus, there are no pending material litigations against our Directors.

II) ***Litigation by our Directors***

a) *Criminal Proceedings*

NIL

b) *Actions by statutory and regulatory authorities*

As on the date of this Prospectus, there are no pending matters by our Directors against statutory or regulatory authorities.

c) *Tax Claims*

NIL

d) *Other Pending Material Litigations*

NIL

C. **Litigation involving our Promoters**

I) ***Litigation against our Promoters***

a) *Criminal Proceedings*

NIL

b) *Tax Claims*

NIL

c) *Disciplinary action against our Promoters by SEBI or any stock exchange in the last five Fiscal year*

As on the date of this Prospectus, no disciplinary action including penalty imposed by SEBI or stock exchanges has been initiated against our Promoters in the last five Fiscals including any outstanding action.

d) *Other Pending Material Litigations*

NIL

II) ***Litigation by our Promoters***

a) *Criminal Proceedings*

NIL

b) *Tax Claims*

NIL

c) *Other Pending Material Litigations*

NIL

D. Outstanding dues to Creditors

As of 31st March, 2019, we had Nil creditors on a consolidated basis. The aggregate amount outstanding to such creditors as on 31st March, 2019 was Nil, on a consolidated basis.

As per the Materiality Policy, such creditors to whom, outstanding dues to any creditor of our Company having monetary value which exceed ₹ 3.89 lakhs, which is 10% of the profit after tax of our Company as per the latest Restated Financial Statements of our Company included in this Prospectus, shall be considered as 'material'. Accordingly, in this regard, the creditors to whom an amount exceeding ₹ 3.89 lakhs were owed as on 31st March, 2019 and were considered 'material' creditors. Based on the above, there are Nil material creditors of our Company as on 31st March, 2019, to whom an aggregate amount of Nil was outstanding on such date.

Details of outstanding dues owed as at 31st March, 2019, to MSMEs and other creditors are set out below.

Creditors	Number of Cases	Amount due (in ₹ Lakhs)
MSMEs	Nil	Nil
Other creditors	Nil	Nil

As on date March 31, 2019 there are no amounts due towards the material creditors are available on the website of our Company at www.sonahisona.com

E. Material Developments

Except as disclosed in the chapter titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 165 of this Prospectus, in the opinion of our Board, there have not arisen, since FY 2018-19, any circumstances that materially or adversely affect or are likely to affect our profitability or the value of our consolidated assets or our ability to pay material liabilities within the next 12 months.

F. Wilful Defaulter

Our Promoters and Directors have not been identified as a wilful defaulter in terms of the SEBI ICDR Regulations as on the date of this Prospectus.

(B) Government and Other Statutory Approvals

Our business requires various approvals, licenses, registrations and permits issued by relevant Central and State regulatory authorities under various rules and regulations. For details see "Key Industry – Regulations" on page 98 of this Prospectus. Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake the Issue and our current/proposed business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements 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, enable our Company to carry out its activities.

I. Approvals in relation to the Issue

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on June 18, 2019 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the annual general meeting held on June 19, 2019 authorized the Issue.
3. In-principle approval dated September 09, 2019 from the EMERGE Platform of NSE for listing of the Equity Shares issued by our Company pursuant to the Issue.

II. Approvals for our Company

Incorporation details

1. Certificate of incorporation dated February 09, 2010 issued by the RoC, Ahmedabad, Gujarat in the name of SONA HI SONA JEWELLERS (GUJARAT) PRIVATE LIMITED.
2. Fresh certificate of incorporation consequent upon conversion from Private Company to Public Company dated July 19, 2017 issued by the RoC, Ahmedabad, Gujarat consequent upon change of name of our Company from SONA HI SONA JEWELLERS (GUJARAT) PRIVATE LIMITED to SONA HI SONA JEWELLERS (GUJARAT) LIMITED.
3. The Corporate Identity Number (CIN) of the Company is U36910GJ2010PLC059513.

Tax related approvals

1. The permanent account number of our Company is AAOCS1450R issued by Income Tax Department under the Income Tax Act, 1961.
2. The tax deduction account number of our Company is AHMS20061G issued by Income Tax Department under the Income Tax Act, 1961.
3. The GST registration number of our Company is 24AAOCS1450RIZT issued by Government of India on April 30, 2018 under the Goods and Service Tax Act, 2017 for its principal place of business at OPP SWAMINARAYAN MANDIR,7, MILLENIUM PLAZA, MANSI CROSS ROAD,

VASTRAPUR, AHMEDABAD, GUJARAT, 380015.




4. Certificate of registration under the Gujarat Value Added Tax Act 2003 bearing registration No.24073606321 dated 08/08/2018 issued by Government of Gujarat Commercial Taxes Department, Ahmedabad.
5. Certificate of registration bearing registration number PEC01-6711192 issued by Deputy Professional Tax Officer, GUJARAT for registration under the GUJARAT State Tax on Profession, Trade, Calling and Employment Act, 1975.

Establishment, business related approvals

1. Entrepreneurs' memorandum acknowledgment dated February 22,2010 issued by the District Industries Centre, Ahmedabad to our Company for manufacturing of gold ornaments.
2. Our Company has obtained the Udyog Aadhar Memorandum bearing number 696183833840 under The Micro, Small and Medium Enterprise Developments Act, 2006 issued by the Ministry of Micro, Small & Medium Enterprises dated 09/02/2010. (date of commencement)
3. Certificate of registration bearing registration number PII/LJCLG/2900004/0216099 dated 24/05/2018 and valid till 31/21/2022 in the name of SONA HI SONA JEWELLERS (GUJARAT) LIMITED issued by Inspector under Shops and Establishment Act, 1948 for our place of business OPP SWAMINARAYAN MANDIR, GF/7, MILLENIUM PLAZA, MANSI CROSS ROAD, VASTRAPUR, AHMEDABAD, GUJARAT, 380015.
4. Our Company has obtained Certificate of Marks by Scientist – E & Head, Bureau of Indian Standards under the Bureau of Indian Standards Act, 2016
5. Our Company has obtained ISO 9001:2015, Certificate of Registration for Quality management system issued by IAF valid till April 21, 2022 bearing certificate no. 19IQCB53.

Intellectual Property Rights applied for by Our Company

As on date of this Prospectus our company has applied for the following trademarks:

Sr. No.	Authority Granting Approval	*Application No.	Description of the Logo / Label / Device	Applicable Laws
1.	Trademark Registry	4184507 (Jinansh)		Trademark Act, 1999
2.		4184506 (Freya)		
3.		4184508 (Sona Hi Sona)		

****The Applications for all the three Trademarks have been made on May, 23, 2019. As on the date of this Prospectus, application no., 4184506 and 4184508 stands Objected whereas application no., 4184507 shows the status of Accepted and Advertised.***

SECTION XI INFORMATION WITH RESPECT TO GROUP COMPANIES

A. OUR GROUP COMPANIES

In accordance with the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time, for the purpose of identification of Group Companies, our Company has considered companies as covered under the applicable Accounting Standards, i.e. Accounting Standard 18 issued by the Institute of Chartered Accountants of India and such other companies as considered materials by our Board. Pursuant to the resolution dated June 18, 2019, our board vide a policy of materiality has resolved that undermentioned companies shall be considered as Group companies for the purpose of disclosure in this Prospectus.

For the purpose of avoidance of doubt and pursuant to Regulation 2(1)(t) of SEBI (ICDR) Regulations, 2018 it is clarified that our Corporate Promoter will not be considered as Group Companies.

Further, companies which have not been disclosed as related parties in the restated financial statement of our company for the last 3 financial years or which are no longer associated with our company have not been disclosed as group companies.

The following companies are identified as group companies of our company:

1. LAXMI GOLDORNA HOUSE LIMITED

Following is the financial information of our group company on the basis of Turnover:

Corporate Information

Laxmi Goldorna House Private Limited was incorporated on January 07, 2010 vide Registration No. 059127/ 2009-2010 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. Further, the Company was converted into Public Limited Company and consequently name of company was changed from "Laxmi Goldorna House Private Limited" to "Laxmi Goldorna House Limited" vide Special resolution passed by the Shareholders at the Extra-Ordinary General Meeting held on July 08, 2017 and a fresh certificate of incorporation dated July 25, 2017 issued by the Registrar of Companies, Ahmedabad.

Date of Incorporation	January 07, 2010
Nature of Activities	1. To carry on in India or elsewhere the business either by using various designs graphically or otherwise to manufacture, produce, process, prepare, commercialize, cut, polish, set, design, develop, modify, prepare, animate, fabricate, display, exchange, examine, refine, finish, grind, grade, assort, import, export, buy, sell, resell, demonstrate, market and to act as importer, exporter, agent, broker, indenter, liaisoner, adatia, representative, C & F Agent, sales promote, supplier, provider, merchant, stockist, distributor, wholesaler, retailer or otherwise to deal in all shapes, sizes, varieties, descriptions, specifications, applications, design and kinds of various gold, silver, platinum, jewellery, ornaments, gems, apparels, fashion-items, wearing items such as watches and other articles, goods, cutleries, utensils, antiques, articles and things, their parts, accessories, fittings, components, ingredients and materials thereof made partly or wholly of gold, silver, platinum or other metals and alloys thereof together with precious, semi-precious, imitation, synthetic, natural or other varieties of stones such as diamonds, ruby, pearls, gem stones, blue sapphires, eat's eye stone , coral, topaz, opal, zircon,

	<p>tourmaline, spinel blue, moon stone, jasper, blood stone, gold metal and alloys thereof and for the purpose to act as goldsmith, silversmith, jewelers, gem merchants, electroplaters, polishers and purifiers</p> <p>2. To carry on business of development of real estate, keeping the whole ecofriendly environment, land, buildings, roads, infrastructure projects, dams, canals, bridges, highways, irrigation projects, air ports and to construct, develop railways, tram ways, water tanks, reservoirs, marine structure, residential, commercial and industrial buildings, water supply projects, sewer projects, storm water pipeline, excavation, development of Special economic zones (SEZs) for information technology industries electronics, electric, pharmaceuticals, multi products, agricultural industries power projects, electric projects architectural work, design of structure and any type of civil construction, repairing, renovation, removal and real estate business individually or jointly with any private party or government, local or other bodies.</p>
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Interest of Laxmi Goldorna House Limited in our Company

Laxmi Goldorna House Limited is promoted by Jayesh Shah (brother of Vijaybhai Shah) who is also a shareholder of our Company holding 8.55%. Jayesh Shah holds majority stake in Jariwala Association which holds 17.69% of our Company. Pursuant to such holding and indirect interest and considering the nature of activity of Laxmi Goldorna House Limited, Laxmi Goldorna House Limited have interest in our Company.

FINANCIAL INFORMATION

(₹ in Lakhs)

Particulars	March 31, 2019	March 31,2018	March 31,2017
Equity Capital (paid-up capital)	1,535.19	1,535.19	66.45
Reserves (Excluding revaluation reserve)	679.38	679.38	3,73.62
Sales (Turn Over)	7,303.01	6,677.25	5,242.51
Profit after tax	70.15	44.06	58.15
Earnings per share	0.04	0.30	8.75
Diluted Earnings per share	0.04	0.30	8.75
Net Asset value	1.44	1.44	66.22

B. LITIGATION INVOLVING OUR GROUP COMPANY

I. FILED AGAINST OUR GROUP COMPANY

- 1) Litigation involving Criminal Laws
NIL
- 2) Litigation Involving Actions by Statutory/Regulatory Authorities
NIL
- 3) Litigation involving Tax Liability
 - *Direct Tax* -
NIL
 - *Indirect Tax* -
NIL

- 4) Other Pending Litigation
NIL

II. CASES FILED BY OUR GROUP COMPANY

- 1) Litigation involving Criminal Laws
NIL
- 2) Litigation Involving Actions by Statutory/Regulatory Authorities
NIL
- 3) Litigation involving Tax Liability
NIL
- 4) Other Pending Litigation
NIL

C. DEFUNCT /STRUCK OF COMPANY:

The Company have not been declared as a sick company under the SICA and there is no winding up proceedings against any of Group Companies.

D. BUSINESS INTERESTS AMONGST OUR COMPANY AND GROUP COMPANY /ASSOCIATE COMPANY

We have entered into certain business contracts with our Group Entities. For details, see “*Financial Statements*” on page 134 of this Prospectus.

E. COMMON PURSUITS

Our group company is engaged in the same line of business or have any common pursuits as our Company.

SECTION XII OTHER REGULATORY AND STATUTORY DISCLOSURES

Other Regulatory and Statutory Disclosures

AUTHORITY FOR THE ISSUE,

The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on June 18, 2019 subject to the approval of shareholders of our Company through a special resolution to be passed pursuant to Section 62(1)(c) of the Companies Act, 2013.

The members of our Company have approved this Issue by a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the EGM of our Company held on June 19, 2019.

We have received In-Principle Approval from National Stock Exchange of India Limited vide their letter dated September 09, 2019 to use the name of Emerge platform of National Stock Exchange of India Limited in the Prospectus for listing of our Equity Shares on Emerge platform of National Stock Exchange of India Limited. National Stock Exchange of India Limited is the Designated Stock Exchange.

PROHIBITION BY SEBI

Our Company, Promoter, Promoter Group, Directors, Group Companies are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by Board or any securities market regulator in any other jurisdiction or any other authority/court.

CONFIRMATIONS

1. Our Company, Promoter, Promoter Groups is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 to the extent applicable.
2. Our Directors are not in any manner associated with the securities market and no action has been taken by the SEBI against any of the Directors or any entity with which our Directors are associated as promoters or directors.

ELIGIBILITY FOR THE ISSUE

Our company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, 2018; and this Issue is an "Initial Public Offer" in terms of the SEBI (ICDR) Regulations, 2018.

Our company is eligible for the Issue in accordance with Regulation 229(2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is more than ten crore and up to twenty five crore rupee, 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 Emerge platform of National Stock Exchange of India Limited). Our Company also complies with eligibility conditions laid by Emerge platform of National Stock Exchange of India Limited for listing of Equity.

We confirm that:

- a. In accordance with Regulation 246 the SEBI (ICDR) Regulations, 2018, the lead manager Shall ensure that the issuer shall file copy of the Draft Prospectus / Prospectus with SEBI along with Due Diligence certificate including additional confirmations as required at the time of filing the Draft Prospectus / Prospectus to SEBI. The SEBI shall not issue any observation on the offer document.
- b. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, 2018, this issue has been hundred percent underwritten and that the Lead Manager to the Issue has underwritten at least

15% of the Total Issue Size. For further details pertaining to said underwriting please see section titled “General Information” on page 41 of this Prospectus.

- c. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, 2018, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be unblocked forthwith. If such money is not unblocked within eight days from the date our Company becomes liable to unblock it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to unblock such application money with interest as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable laws.
- d. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we shall enter into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the arrangement of market making please see section titled “General Information” on page 41 of this Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

Our Company is also eligible for the Issue in accordance with eligibility norms for Listing on SME Exchange / Emerge Platform of National Stock Exchange of India Limited circular dated April 19, 2012 and notice dated February 5, 2015, July 11, 2018 and January 09, 2019 which states as follows:

1. The issuer should be a Company incorporated Under Companies Act, 1956 / 2013

Our Company is incorporated under the Companies Act, 1956.

2. The post issue paid up capital of the company (face value) shall not be more than ₹ 25 crores.

The post issue paid up capital of the Company will be ₹ 1678.54 Lakhs, less than ₹2500 Lakhs

3. Track Record

(A) The company should have a (combined) track record of at least 3 years.

Our Company satisfies the criteria of Track Record

(₹ in lakhs)

Particulars	March 31, 2019	March 31, 2018	March 31, 2017
Net Profit as per P&L Account	38.86	18.65	6.18

(B) The company should have combined positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net worth should be positive.

Our Company satisfies the criteria of Track Record

(₹ in lakhs)

Particulars	March 31, 2019	March 31, 2018
Cash Accruals as per restated Financial Statement	56.60	46.66
Net Worth as per Restated Financial Statement	976.82	937.97

4. The company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the tripartite agreements with the Depositories and the Registrar and Share Transfer Agent.

The Company's shares bear an ISIN No: INE06MH01016

5. Our Company has a live and operational website: www.sonahisona.com

6. Our Company confirm that:

- a. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- b. Our Company has no winding up petition against the company that has been admitted by the Court and accepted by a court or a Liquidator has not been appointed.
- c. Our Company has no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the applicant company.
- d. Our Company has not defaulted in payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years.
- e. There has been no change in the promoter/s of the Company in preceding one year from the date of filing application to NSE for listing on SME segment.

We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the Emerge Platform of the National Stock Exchange of India Limited.

SEBI DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, FEDEX SECURITIES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER FEDEX SECURITIES PRIVATE LIMITED HAS FURNISHED TO STOCK EXCHANGE/SEBI A DUE DILIGENCE CERTIFICATE DATED JULY 18, 2019 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOUSER REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THE OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER 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 MANAGER, ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, AHMEDABAD, IN TERMS OF SECTION 26, 30, 32 AND SECTION 33 OF THE COMPANIES ACT.

DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER

Our Company, the Directors, and the Lead Manager accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at instance of the above mentioned entities and that anyone placing reliance on any other source of information, including our website: www.sonahisona.com , www.fedsec.in. would be doing so at his or her own risk.

DISCLAIMER IN RESPECT OF JURISDICTION

This issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, and any FII sub –account registered with SEBI which is a foreign corporate or go reign individual, permitted insurance companies and pension funds) and to FIIs and Eligible NRIs. This Prospectus does not, however, constitute 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 him or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Gujarat 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, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of Prospectus nor any sale here under shall, under any circumstances, create any implication that there has been any change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

DISCLAIMER CLAUSE OF THE EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED

As required, a copy of the Draft Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/636 dated September 09, 2019 permission to the Issuer to use the Exchange's name in this Offer Document as the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the has been cleared or

approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document ; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or inconnection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT.

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S 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.

Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Share or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

LISTING

Our company has obtained In-Principle approval from National Stock Exchange of India Limited vide letter dated September 09, 2019 to use name of National Stock Exchange of India Limited in this offer document for listing of equity shares on Emerge Platform of National Stock Exchange of India Limited.

In terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, there is requirement of obtaining In-principle approval from Emerge platform of National Stock Exchange of India Limited. Application will be made to the Emerge platform of National Stock Exchange of India Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. National Stock Exchange of India Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the issue.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the Emerge platform of National Stock Exchange of India Limited, the Company shall forthwith unblock, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not unblocked within Eight days after our Company becomes liable to unblock it then our

Company and every officer in default shall, on and from such expiry of Eight days, be liable to unblock such application money, with interest at the rate of 15% per annum on application money, as prescribed under as prescribed under Section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge platform of National Stock Exchange of India Limited mentioned above are taken within Six Working Days from the Issue Closing Date.

IMPERSONATION

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or vis-à-vis otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of Companies Act, 2013 .”

The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to ten 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.

CONSENTS

The written consents of Directors, Company Secretary, Compliance Officer & Chief Financial Officer, Statutory Auditor and Peer Reviewed Auditor, Legal Advisor to the Issue, Bankers to our Company, Lead Manager, Registrar to the Issue, Underwriter, Market Maker and Banker to Issue to act in their respective capacities have been obtained and will be filed along with a copy of the Prospectus with the ROC, as required under Sections 26 and 32 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.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, Bhagat & Co. Peer Review Auditor, of the Company have agreed to provide their written consent to the inclusion of their report, restated financial statements and statement of Tax Benefits dated June 18, 2019 and June 18, 2019 respectively, which may be available to the Company and its shareholders, included in this Prospectus in the form and context in which they appear therein and such consent and reports have not been withdrawn up to the time of delivery of the Prospectus with ROC.

PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER

For details regarding the price information and track record of the past issue handled by Fedex Securities Private Limited, as specified in the circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by SEBI, please refer Annexure "A" and the website of Lead Manager at www.fedsec.in

Annexure A

DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY FEDEX SECURITIES PRIVATE LIMITED

Sr. No.	Issue Name	Issue Size (Cr)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Shree Ganesh Remedies Limited	8.55	36	October 13, 2017	40.00	1.11% (1.85%)	24.31% (6.17%)	27.78% (4.46%)
2.	Lorenzini Apparels Ltd	4.47	10	February 15, 2018	10.20	-32.10% (-3.27%)	-38.50% (3.63%)	-54.50% (9.76%)
3.	Ganesh Films India Limited	8.42	80	July 31, 2018	80.00	4.19% (2.97%)	1.19% (-9.41%)	-27.25% (-5.18%)
4.	Add-Shop Promotions Limited	6.22	26	September 10, 2018	28.20	3.85% (-9.55%)	1.92% (-7.81%)	1.92% (-2.29%)
5.	Sun Retail Limited	10.11	23	October 16, 2018	36.00	100.22% (-0.06%)	95.65% (1.97%)	70.65% (11.70%)
6.	Ashapuri Gold Ornaments Limited	29.33	51	March 27, 2019	50.00	-9.80% (1.57%)	- 8.04% (2.60%)	Not Applicable
7.	Artemis Electricals Limited	42.00	60	May 14, 2019	70.00	63.00% (6.53%)	50.00% (-0.97%)	Not Applicable
8.	Cian Healthcare Limited	37.92	61	May 23, 2019	62.00	-5.53% (0.99%)	-14.75% (-3.82%)	Not Applicable

Sources: All share price data is from www.bseindia.com

Note:

The BSE Sensex and CNX Nifty are considered as the Benchmark Index

Prices on BSE/NSE are considered for all of the above calculations

In case 30th/90th/180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered

In case 30th/90th/180th days, scrips are not traded then last trading price has been considered.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by the lead manager are provided.

SUMMARY STATEMENT OF DISCLOSURE

Financial year	Total no. of IPO	Total funds Raised (₹. Cr)	Nos of IPOs trading at discount on 30 th Calendar day from listing date			Nos of IPOs trading at premium on 30 th Calendar day from listing date			Nos of IPOs trading at discount on 180 th Calendar day from listing date			Nos of IPOs trading at premium on 180 th Calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less Than 25%
2017-18	*2	13.02		1				1	1				1	
2018-19	**4#	54.08			1	1		2		1		1		1
2019-20	***2\$	79.92			1	1								

*The scripts of Shree Ganesh Remedies Limited and Lorenzini Apparels Limited were listed on October 13, 2017 and February 15, 2018 respectively.

**The scripts of Ganesh Films India Limited, Add-Shop Promotions Limited, Sun Retail Limited and Ashapuri Gold Ornament Limited were listed on July 31, 2018, September 10, 2018, October 16, 2018 and March 27, 2019 respectively.

#The scripts of Ashapuri Gold Ornament Limited have not completed 180 Days from the date of listing.

*** The script of Artemis Electricals Ltd & Cian Healthcare Ltd were listed on May 14, 2019 & May 23, 2019 respectively

\$The script of Artemis Electricals Ltd & Cian Healthcare have not completed 180 days from the date of listing.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the Lead Manager. Hence, disclosures pertaining to recent 10 issues handled by Lead Manager are provided. Track Record of past issues handled by Fedex Securities Private Limited.

Track Record of past issues handled by Fedex Securities Private Limited

For details regarding track record of the Lead Manager to the Offer as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the Lead Manager at: www.fedsec.in

EXPERT OPINION

Except for

(a) Peer Review Auditors' reports dated June 18, 2019 on the restated financial statements by M/s. Bhagat & Co.

(b) Statement of Tax Benefits dated June 18, 2019 by M/s. Bhagat & Co.; we have not obtained any other expert opinions.

UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION

We have not made any previous public issues. Therefore, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares of the Company since its inception.

COMMISSION PAYABLE TO SCSBS

The brokerage and selling commission payable to SCSBs for the ASBA Application Forms procured by them would be at par as payable to brokers for the Application forms procured by them. However, in case, where ASBA Application Form are being procured by Syndicate Members / sub syndicate, then selling commission would be payable to Syndicate Members / sub syndicate and for processing of such ASBA Application Form, SCSBs would be given a prescribe fee of ₹10 per ASBA Application Form processed by them.

PREVIOUS PUBLIC OR RIGHTS ISSUE

Company has not made any Public or Right issue during last five years.

COMMISSION OR BROKERAGE

We have not made any previous public issue. Therefore, no sums has been paid or payable in last five years.

CAPITAL ISSUE DURING THE PREVIOUS THREE YEARS BY ISSUER, LISTED GROUP COMPANIES AND SUBSIDIARIES OF OUR COMPANY

For the details regarding capital issue, please refer the section titled "Capital Structure" on page 49 of this Prospectus.

LISTED VENTURES OF PROMOTERS

There are no listed ventures of our Company as on date of filing of this Prospectus.

PROMISE VIS-À-VIS PERFORMANCE

Since neither our Company nor our Promoter Group Companies have made any previous rights or public issues during last 5 years, Promise vis-à-vis Performance is not applicable.

STOCK MARKET DATA FOR OUR EQUITY SHARES

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The agreement between the Registrar to the Issue and our Company provides for the retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Offer may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Applicants, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and designated branch or the collection center of the SCSBs or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Applicants.

The Company has obtained SCORES Registration and till the date of this Draft Prospectus / Prospectus, no complaint has been received to the company

Disposal of Investor Grievances by our Company

The Company has appointed Link Intime India Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with our Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to the Issue to ensure that the investor grievances are settled expeditiously and satisfactorily. The Registrar to the Issue will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven (7) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Lead Manager and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

The Company has applied for obtaining authentication on the SCORES and shall comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

Our Company has constituted a Stakeholders Relationship Committee of the Board vide resolution passed on June 17, 2019 comprising of Nirav Shah as a Chairman, Jugal Dave and Manish Jain as members. For further details, please refer the chapter titled "*Management*" on page no. 114 of Prospectus.

Our Company has also appointed Falak Parikh as the Company Secretary and Compliance Officer of our company, for this Issue he may be contacted in case of any pre-issue or post-issue related problems at the following address:

Falak Parikh
Sona Hi Sona Jewellers (Gujarat) Limited
Address: 7, Millenium Plaza,
Opp. Swaminarayan Mandir,
Mansi Cross Road, Vastrapur
Ahmedabad – 380013,
Gujarat, India
Telephone No.: +91 8511191111
Website: www.sonahisona.com
E-mail: cs@sonahisona.com

SECTION XIII ISSUE INFORMATION

(A) Terms of the Issue

The Equity Shares being issued pursuant to this issue are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, SCRA, SCRR, our Memorandum and Articles of Association, SEBI Listing Regulation, the terms of this Prospectus, the Abridged Prospectus, 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, rules, 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 National Stock Exchange of India Limited (NSE EMERGE), the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, the RBI, the GoI, NSE EMERGE, the RoC and any other authorities while granting their approval for the Issue.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the applicants have to compulsorily apply through the ASBA Process and in terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, as amended and modified by SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and subsequently by SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 in relation to clarifications on streamlining the process of public issue of equity shares and convertibles

Further vide the said circular, Designated Intermediaries have been also authorised to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act 2013, our Memorandum and Articles of Association shall rank pari-passu in all respects 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 chapter titled "Description of Equity Shares and Terms of *Articles of Association*" beginning on page 244 of this Prospectus.

Face Value and Issue Price

The face value of the Equity Shares is ₹ 10 each and the Issue Price is ₹ 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 70 of the Prospectus. At any given point of time there shall be only one denomination for the Equity Shares.

At any given point of time there shall be only one (1) denomination of Equity Shares of our Company, subject to applicable law.

Compliance with SEBI ICDR Regulations

Our Company shall comply with all requirements of the SEBI ICDR Regulations 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports and notices to members;

- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and other preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, the terms of the SEBI Listing Regulations, and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, please refer to the chapter titled “*Description Equity Shares and Terms of Articles of Association*” beginning on page no. 244 of this Prospectus.

Minimum Application Value; Market Lot and Trading Lot

In terms of Section 29 of the Companies Act 2013, the Equity Shares shall be Allotted only in dematerialised form. As per the existing SEBI ICDR Regulations, 2018 the trading of the Equity Shares shall only be in dematerialised form for all investors.

In this context, two agreements will be signed by our Company with the respective Depositories and the Registrar to the Issue before filing the Prospectus:

- Tripartite agreement dated March 18, 2019 among CDSL, our Company and the Registrar to the Issue; and
- Tripartite agreement dated March 19, 2019 among NSDL, our Company and the Registrar to the Issue

The trading of the Equity Shares will happen in the minimum contract size of 10,000 Equity Shares and the same may be modified by NSE EMERGE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Offer will be done in multiples of 10,000 Equity Share subject to a minimum allotment of 10,000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Allocation and allotment of Equity Shares through this Offer 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 all the monies blocked by the SCSBs shall be unblocked within 6 Working days of closure of issue.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai.

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 Applicants, death of all the Applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the

death of the original holder(s), shall in accordance with Section 72 (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/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at 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:

- (a) to register himself or herself as the holder of the Equity Shares; or
- (b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares 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.

Period of Operation of Subscription List of Public Issue

ISSUE OPENS ON:	September 30, 2019
ISSUE CLOSES ON	October 04, 2019

Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten as per Regulation 260(1) of SEBI ICDR Regulation

If our Company does not receive the 100% subscription of the offer through the Offer Document including devolvment of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days, after our Company becomes liable to pay the amount, our Company shall pay interest as prescribed under Section 74 of the Companies Act, 2013.

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 6 working days of closure of issue.

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

Arrangements for Disposal of Odd Lots

The trading of the equity shares will happen in the minimum contract size of ,000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the NSE EMERGE Platform.

Application by Eligible NRIs, FIIs registered with SEBI, VCFs registered with SEBI and QFIs

It is to be understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

As per the extant policy of the Government of India, OCBs cannot participate in this Issue.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Issue Equity Shares and Promoters' minimum contribution in the Issue as detailed in the section titled "*Capital Structure*" beginning on page 49 of the Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details please refer to the chapter titled "*Description of Equity Shares and Terms of Articles of Association*" beginning on page 244 of the Prospectus.

Option to receive Equity Shares in Dematerialized Form

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. Applicants will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges. Allottees shall have the option to re-materialise the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

Migration to Main Board

In accordance with the regulation Company will have to be mandatorily listed and traded on the NSE EMERGE for a minimum period of two (2) years from the date of listing and only after that it can migrate to the main board of the NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of SEBI ICDR Regulations. Our Company may migrate to the main board of NSE from the NSE EMERGE Platform 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 promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board. or

If the Paid-up Capital of 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 promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Market Making

The shares offered through this issue are proposed to be listed on the NSE EMERGE Platform, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the NSE EMERGE Platform for a minimum period of three years from the date of listing of shares offered through this Prospectus. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please see section titled “*General Information*” beginning on page 41 of the Prospectus.

New Financial Instruments

As on the date of this Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoters, to acquire or receive any Equity Shares after the Issue. Further, our Company is not issuing any new financial instruments through this Issue.

(B) Issue Procedure

All Applicants should review the General Information Document for Investing in Public Issue, prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the “General Information Documents”) and including SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, and SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 to be included in the Prospectus under “Part B – General Information Document” of this section, highlighting the key rules, procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI Regulations.

All Designated Intermediaries in relation to the Issue should ensure compliance with SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, as amended and modified by SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and subsequently by SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 in relation to clarifications on streamlining the process of public issue of equity shares and convertibles. The General Information Documents to be included will be updated to reflect the enactments and regulations including the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document will also be available on the websites of the Stock Exchange and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Lead Manager would not be able for any amendment, modification or change in applicable law, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Prospectus and the Prospectus.

Pursuant to the SEBI ICDR Regulations, the ASBA process is mandatory for all investors excluding Anchor Investors and it allows the registrar, share transfer agents, depository participants and stock brokers to accept Application forms. All Applicants shall ensure that the ASBA Account has sufficient credit balance such that the full Application Amount can be blocked by the SCSB at the time of submitting the Application. Further, in order to streamline the process of Public Issue of Equity Shares and convertibles, SEBI vide circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, where SEBI had introduced the use of Unified Payment Interface (UPI) as a payment mechanism as an additional mode of payment with Application Supported by Block Amount (ASBA) for Applications in Public Issues by Retail Individual Investors through intermediaries, with effect from January 01, 2019. In order to ensure the smooth transition of UPI mechanism with ASBA process the timeline for the implementation of Phase I of the aforesaid circular was extended by three months i.e. till June 30, 2019, vide circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 03, 2019. Accordingly, Phase II become effective from July 01, 2019, vide circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019. *Applicants applying through the ASBA process and UPI mechanism should carefully read the provisions applicable to such applications before making their application through the ASBA process or using UPI. 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 and also the list of banks having UPI facility 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 National Stock Exchange of India Limited 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 refer the above-mentioned National Stock Exchange of India Limited website.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) price discovery and allocation; (iii) payment Instructions for ASBA Bidders and the RIIs using UPI facility; (iv) issuance of Confirmation of Allocation Note ("CAN") and Allotment in the Issue; (v) general instructions (limited to instructions for completing the Application Form); (vi) designated date; (vii) disposal of applications; (viii) submission of Application Form; (ix) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (x) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; and (xi) mode of making refunds. Our Company and the LMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of 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 and the Prospectus.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.

Fixed Price Issue Procedure

The Issue is being made under Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 through a Fixed Price Process, wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including corporate bodies or institutions, 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.

Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. However, the Application by an Applicant should not exceed the investment limits prescribed under the relevant regulations/statutory guidelines.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the LM and the NSE EMERGE Applicants are required to submit their Applications to the Application collecting intermediaries i.e. SCSBs or Registered Brokers of Stock Exchanges or Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB Applicants, the Company in consultation with the Lead

Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, the Company would have a right to reject the Applications only on technical grounds.

Investors should note that Equity Shares will be allotted to successful Applicants in dematerialised form only. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the EMERGE Platform of National Stock Exchange Limited, as mandated by SEBI.

Investors should note that the Equity Shares will be allotted to all successful Applicants only in dematerialised form. **The Application Forms which do not have the details of the Applicant's depository account, including DP ID, Client ID, PAN, UPI ID, shall be treated as incomplete and will be rejected.** In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. If the RIIs opting to make payment under UPI mechanism have entered wrong or invalid UPI ID are also 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 EMERGE platform of National Stock Exchange of India Limited. Applicants will not have the option of being allotted Equity Shares in physical form. However, the Investors may get the Equity Shares rematerialized subsequent to the Allotment. Investor shall bid not exceeding the investment limit/ maximum number of specified securities that can be held by him under relevant regulation/guidelines

Phased implementation of Unified Payments Interface

SEBI has issued a circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the circular, Unified Payments Interface will be introduced in a phased manner as a payment mechanism in addition to ASBA for applications by Retail Individual Bidders through intermediaries. Phase I of this mechanism will be applicable from January 1, 2019. Further, SEBI issued the circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/76 on June 28, 2019 for implementation of Phase-II as to streamline the process of Public Issue of Securities shall be effective from July 01, 2019, thereafter the applications by the Retail Individual Investors through intermediaries the existing process of, investor submitting application form with any intermediary along with bank account details, and movement of such application forms from intermediaries to Self-Certified Syndicate Banks (SCSBs) for blocking of funds, shall be discontinued, with a view to reduce the time duration for the public issue closure of listing from six (6) working days to three (3) working days. The UPI mechanism with the existing timeline of T+6 days will continue for the period of three months or launch of five main board issues whichever is later.

Availability of Prospectus and Application Forms

The Memorandum containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue, Registrar to the Issue as mentioned in the Application form. The application forms may also be downloaded from the website of NSE EMERGE of National Stock Exchange of India Limited i.e. <https://www.nseindia.com>, the Registered Brokers, the RTAs and the CDPs at least one (1) day prior to the Issue Opening Date.

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Prospectus. All the applicants shall have to apply only through the ASBA process and all Retail Individual Investors may block the funds using UPI facility. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking of funds that are available in the bank account specified in the Application Form used by ASBA applicants. Upon completing and submitting the Application Form for Applicants to the SCSB, the Applicant is deemed to have authorized our Company to make the necessary changes in the Prospectus and the ASBA as would

be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Applicant. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation basis	Blue

**Excluding electronic Application Form*

Designated Intermediaries shall submit Application Forms to SCSBs only.

Submission and Acceptance of Application Forms

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries

- I. An SCSB, with whom the bank account to be blocked, is maintained
- II. A syndicate member (or sub-syndicate member)
- III. A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
- IV. A depository participant ('DP') (Whose name is mentioned on the website of the stock exchange as eligible for this activity)
- V. A registrar to an issuer and share transfer agent ('RTA') (Whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For Applications submitted by investors to SCSB without the use of UPI for payment	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchanges(s) and may begin by blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For Applications submitted by investors to intermediaries other than SCSBs without the use of UPI for payment:	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
For applications submitted by Retail Individual Investors to intermediaries other than SCSBs with use of UPI for payment.	After accepting the application form, respective intermediary shall capture and upload the relevant bid details, including UPI ID, in the electronic bidding system of stock exchange(s). Stock Exchange shall share bid details including the UPI ID with Sponsor Bank on a continuous basis, to enable Sponsor Bank to initiate mandate request on

	investors for blocking of funds. Sponsor Bank shall initiate request for blocking of funds to investor. Investor to accept mandate request for blocking of funds, on his / her mobile application, associated with UPI ID linked bank account.
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Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA Applicants.

Who can apply?

- a.) Indian-nationals resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b.) 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;
- c.) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d.) Mutual Funds registered with SEBI;
- e.) 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;
- f.) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g.) FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- h.) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i.) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant's category;
- j.) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k.) Foreign Venture Capital Investors registered with the SEBI;
- l.) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m.) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n.) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o.) Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p.) Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;

- q.) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r.) Insurance funds set up and managed by army, navy or air force of the Union of India;
- s.) Multilateral and bilateral development financial institution;
- t.) Eligible QFIs;
- u.) Insurance funds set up and managed by army, navy or air force of the Union of India;
- v.) Insurance funds set up and managed by the Department of Posts, India;
- w.) Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

Applications not to be made by:

1. Minors (except under guardianship)
2. Partnership firms or their nominees
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.

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

Participation by associates/affiliates of Lead Manager

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the LM, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Application by Indian Public including eligible NRIs applying on Non-Repatriation

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors, Foreign Nationals, Non Residents (except for those applying on non-repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families. In case of HUF's application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

Application by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

Applications by Eligible NRIs/FII's on Repatriation Basis

Application Forms have been made available for Eligible NRIs at the Company's Registered Office and at the office of Lead Manager to the Issue. Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Application Amount, at the time of the submission of the Application Form.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Pursuant to the provisions of the FEMA regulations, investments by NRIs under the Portfolio Investment Scheme ("PIS") is subject to certain limits, i.e., 10.00% of the paid-up equity share capital of the company. Such limit for NRI investment under the PIS route can be increased by passing a board resolution, followed by a special resolution by the shareholders, subject to prior intimation to the RBI. Our Company has not passed any resolution to increase this limit and hence investments by NRIs under the PIS will be subject to a limit of 10% of the paid-up equity capital of the Company. Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through

Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and should not use the form meant for the reserved category.

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. Companies are required to file declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis.

Allotment of Equity Shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's, FI's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

1. Foreign portfolio investor shall invest only in the following securities, namely-
 - (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India;
 - (b) Units of schemes floated by domestic mutual funds, whether listed on a recognized stock exchange or not;
 - (c) Units of schemes floated by a collective investment scheme;
 - (d) Derivatives traded on a recognized stock exchange;
 - (e) Treasury bills and dated government securities;
 - (f) Commercial papers issued by an Indian company;
 - (g) Rupee denominated credit enhanced bonds;
 - (h) Security receipts issued by asset reconstruction companies;
 - (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time;
 - (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines;
 - (k) Non-convertible debentures or bonds issued by Non-Banking Financial Companies categorized as 'Infrastructure Finance Companies'(IFCs) by the Reserve Bank of India;
 - (l) Rupee denominated bonds or units issued by infrastructure debt funds;
 - (n) Such other instruments specified by the Board from time to time.
2. Where a foreign institutional investor or a sub account, prior to commencement of these regulations, holds equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after initial public offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment for the time being in force.
3. In respect of investments in the secondary market, the following additional conditions shall apply:

- (a). A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
- (b). Nothing contained in clause (a) shall apply to:
 - i. Any transactions in derivatives on a recognized stock exchange;
 - ii. Short selling transactions in accordance with the framework specified by the Board;
 - iii. Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - iv. Any other transaction specified by the Board.
- (c). No transaction on the stock exchange shall be carried forward;
- (d). The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board; provided nothing contained in this clause shall apply to:
 - i. transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
 - ii. sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - iii. sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;
 - iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy-back of securities) Regulations, 2018;
 - v. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines for Disinvestment of Shares by Indian Companies in the overseas market through issue of American Depositary Receipts or Global Depositary Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
 - vi. Any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
 - vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - viii. Any other transaction specified by the Board.
- (e). A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form:

Provided that any shares held in non-dematerialized form, before the commencement of these regulations, can be held in non-dematerialized form, if such shares cannot be dematerialized.

Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.

4. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
5. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
6. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.

No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:

- (a). Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority;
- (b). Such offshore derivative instruments are issued after compliance with 'know your client' norms:

Provided that those unregulated broad-based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal in offshore derivatives instruments directly or indirectly:

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

7. A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.
8. Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.
9. Any offshore derivative instruments issued under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be deemed to have been issued under the corresponding provisions of SEBI (Foreign Portfolio Investors) Regulations, 2014.
10. A FII or its subaccount which holds a valid certificate of registration shall, subject to payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.
11. A qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provisions of the SEBI (Foreign Portfolio Investors) Regulations, 2014, for a period of one year from the date of commencement of the aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of SEBI FPI Regulations, an FPI, other than Category III Foreign Portfolio Investors and unregulated broad based funds, which are classified as Category II Foreign Portfolio Investors by

virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying security) directly or indirectly, only if (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. Further, pursuant to a circular dated November 24, 2014 issued by SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility conditions set forth in Regulation 4 of SEBI FPI Regulations; and (ii) do not have "opaque structures", as defined under SEBI FPI Regulations.

In case of Applications made by FPIs, a verified true copy of the certificate of registration issued under SEBI FPI Regulations is required to be attached along with the Application form, failing which our Company reserves the right to reject any application without assigning any reason. An FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Applications made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

In terms of SEBI FPI Regulations, an FII which holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three (3) years for which fees have been paid as per SEBI FII Regulations. Accordingly, such FIIs can participate in this Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under SEBI FPI Regulations. However, existing FIIs and their sub accounts may continue to buy, sell or deal in securities till the expiry of their existing SEBI registration. Further, a QFI who had not obtained a certificate of registration as an FPI could only continue to buy, sell or otherwise deal in securities until January 6, 2015. Hence, such QFIs who have not registered as FPIs under SEBI FPI Regulations shall not be eligible to participate in this Issue.

The issue of Equity Shares to a single FII should not exceed 10% of our post Issue Paid up Capital of the Company. In respect of an FII investing in Equity Shares of our Company on behalf of its sub accounts, the investment on behalf of each sub account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub account is a foreign corporate or an individual.

In accordance with the foreign investment limits, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its board of Directors followed by the special resolution to that effect by its shareholders in their General Meeting. As on the date of filing the Prospectus, no such resolution has been recommended to the shareholders of the Company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII may issue, deal or hold, off shore derivative instruments such as participatory notes, equity linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "Know Your Client" requirements. An FII shall also ensure that no further

downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

In case of FII's in NRI/FII Portion, number of Equity Shares applied shall not exceed issue size.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of offshore derivative instruments ("ODIs"). Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments held in the underlying company.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the GoI from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. FPIs are required to apply through the ASBA process to participate in the Issue.

The Registrar shall use Permanent Account Number (PAN) issued by Income Tax Department of India for checking compliance for a single foreign portfolio investor; and obtain validation from Depositories for the FPIs to ensure there is no breach of investment limit.

Application by SEBI registered Alternative Investment Fund (AIF), Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors:

Accordingly, the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer.

The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's.

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 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 Regulations shall continue to be regulated by the VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of SEBI AIF Regulations.

Further, according to SEBI ICDR Regulations, the shareholding of VCFs and category I AIFs or FVCI held in a company prior to making an initial public offering would be exempt from lock-in requirements provided that such equity shares held are locked in for a period of at least one (1) year from the date of purchase by such VCF or category I AIFs or FVCI.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the LM will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency. There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

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 which, the 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, the 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 (The "IRDA Investment Regulations"), are broadly set forth below:

- a) equity shares of a Company: the least of 10% of the investee Company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- b) the entire group of the investee Company: the least of 10% of the respective fund in case of a life insurer or general insurer or reinsurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPS); and
- c) The industry sector in which the investee Company operates: the least of 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPS).

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in infrastructure and housing sectors i.e. 26th December, 2008, providing, among other things, that the exposure of an insurer to an infrastructure Company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub ceilings.

Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

Application by Provident Funds / Pension Funds

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, the Company reserves the right to reject any application, without assigning any reason thereof.

Application under Power of Attorney

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FPI's, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to applications by VCFs, FVCIs, FPIs and Mutual Funds, a certified copy of their SEBI

registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

- 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 with the Application Form as applicable. Failing this, the Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- c) With respect to applications made by provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

The 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 the Company and the lead manager may deem fit.

The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

Bids by banking companies

In case of Bids made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserves the right to reject any Application by a banking company, without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI

registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by systemically important non-banking financial companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof. Systemically important non-banking financial companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

Applications by OCBs

In accordance with RBI regulations, OCBs cannot participate in this Issue.

Terms of payment

The entire Issue price of ₹ 10 per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the bidders. SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs. The bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the bidders.

Payment Mechanism for Bidders

The Bidders shall specify the bank account number in their Bid cum Application Form and the SCSBs shall block an amount equivalent to the bid Amount in the bank account specified in the Bid cum Application Form. The SCSB shall keep the bid Amount in the relevant bank account blocked until withdrawal/rejection of the Application or receipt of instructions from the Registrar to unblock the bid Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked

ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of the Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

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.

ASBA Process

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant ("ASBA Account") is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical

or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Lead Manager.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB or Registered Brokers or Registered RTA's or DPs registered with SEBI. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

Who can apply?

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process.

Mode of Payment

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, , money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account as per section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

PROCEDURE FOR UNIFIED PAYMENT INTERFACE (UPI)

In accordance to the SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, to stream line the process of public issue of Equity Shares and convertibles, Phase II shall become effective from July 01, 2019, thereafter for applications by *Retail Individual Investors* through intermediaries, where the existing process of investor submitting application form with any intermediaries along with bank account details and movement of such application forms from intermediaries to self-certified Syndicate Banks (SCBCs) for blocking of funds, will be discontinued. For such applications only the UPI mechanism would be permissible mode.

Who can apply through UPI Mode:

Only Retail Individual Investors are allowed to use UPI for the payment in public issues. Qualified Institutional Buyers and High-Networth Investors shall continue to apply as per the existing process.

Process

Applications through UPI in IPOs (Public Issue) can be made only through the SCSBs/mobile applications whose name appears on the SEBI website: www.sebi.gov.in.

Blocking of Funds:

- a) Investors shall create UPI ID
- b) Investors shall submit their IPO applications through intermediaries and the investors shall enter UPI ID in the application form
- c) Thereafter, intermediary shall upload the bid details and UPI ID in the electronic bidding system of the Stock Exchange
- d) Stock Exchange shall validate the bid details on the real time basis with depository's records and shall bring the inconsistencies to the notice of intermediaries for rectification and re-submission
- e) Stock Exchange shall share the details including UPI ID with Sponsor Bank, to enable the Sponsor Bank to initiate the request for the blocking of funds
- f) Thereafter the investor shall receive notification and shall confirm the request by entering valid UPI PIN and upon such acceptance of request, funds would get blocked and intimation shall be given to the investor regarding blocking of funds

Unblocking of Funds:

- a) After the issue close day, the RTA on the basis of bidding and blocking received from stock exchange undertake a reconciliation and shall prepare Basis of Allotment.
- b) Upon approval of such basis, instructions would be sent to the Sponsor Bank to initiate process for credit of funds in the public issue escrow account and unblocking of excess funds
- c) Based on authorization given by the investor using UPI PIN at the time of blocking of funds, equivalent to the allotment, would be debited from investors account and excess funds, if any, would be unblocked.

It should be noted, an application made using incorrect UPI handle or third party bank account or using a bank account of an SCSBs or bank which is not mentioned in the list as provided on the SEBI website shall be liable to be rejected

Further, RIs would continue to have an option to modify or withdraw the bid till the closure of the issue period. For each such modification of application, RIs shall submit a revised application and shall receive a mandate request from the Sponsor Bank to be validated as per the process indicated above. Hence, applications made through UPI ID for payment the same shall be revised by using UPI ID only.

Rejection grounds under UPI Payment Mechanism

An investor making application using any of channels under UPI Payments Mechanism, shall use only his/ her own bank account or only his/ her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account

List of Banks providing UPI facility

An investors shall ensure that when applying in the IPO using UPI facility, the name of his Bank shall appear in the list of SCSBs as displayed on the SEBI website.

A list of SCSBs and mobile application which are live for applying in public issues using UPI mechanism is provided on the SEBI Website at the following path:

Home >> Intermediaries/Market Infrastructure Institutions >> Recognised Intermediaries >> Self Certified Syndicate Banks eligible as Issuer Banks for UPI

Investors whose Bank is not live on UPI as on the date of the aforesaid circular, may use the other alternate channels available to them viz. submission of application form with SCSBs or using the facility of linked online trading, demat and bank account (Channel I or II at para 5.1 SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018).

Electronic Registration of Applications

1. The Designated Intermediary will register the Applications using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Applications are being accepted. The Lead Manager, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary or (iv) Applications accepted and uploaded without blocking funds.
2. The Designated Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary and (iv) Applications accepted and uploaded without blocking funds. It shall be presumed that for Applications uploaded by the Designated Intermediary, the full Application Amount has been blocked.
3. In case of apparent data entry error either by the Designated Intermediary in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s).
4. The Designated Intermediary will undertake modification of selected fields in the Application details already uploaded within before 1.00 p.m. of the next Working Day from the Issue Closing Date.
5. The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available with the Designated Intermediary and their authorized agents during the Issue Period. The Designated Branches or the Agents of the Designated Intermediary can also set up

facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities on a regular basis. On the Issue Closing Date, the Designated Intermediary shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Lead Manager on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.

6. At the time of registering each Application submitted by an Applicant, Designated Intermediary shall enter the following details of the investor in the on-line system, as applicable:

- Name of the Applicant;
- IPO Name;
- Application Form number;
- Investor Category;
- PAN (of First Applicant, if more than one Applicant);
- DP ID of the demat account of the Applicant;
- Client Identification Number of the demat account of the Applicant;
- UPI ID (RIIs applying through UPI Mechanism)
- Numbers of Equity Shares Applied for;
- Location of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
- Bank account number

In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic Application Form number which shall be system generated.

7. The Designated intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.

8. Such acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.

9. In case of QIB Applicants, the Lead Manager has the right to accept the Application or reject it. However, the rejection should be made at the time of receiving the Application and only after assigning a reason for such rejection in writing. In case on Non-Institutional Applicants and Retail Individual Applicants, Applications would be rejected on the technical grounds.

10. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

11. Only Applications that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. The Designated Intermediary will be given time till 1.00 p.m.

on the next working day after the Issue Closing Date to verify the PAN, DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar will receive this data from the Stock Exchanges and will validate the electronic Application details with depository's records. In case no corresponding record is available with depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such Applications are liable to be rejected.

Maximum and Minimum Application Size

The applications in this Issue, being a fixed price issue, will be categorized into two;

(a) For Retail Individual Applicants

The Application must be for a minimum of 10,000 Equity Shares so as to ensure that the Application amount payable by the Applicant 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. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application form does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Prospectus.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the National Stock Exchange of Limited along with the Lead Manager and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Information for the Applicants:

- a) The Company will file the Prospectus with the ROC at least 3 (three) days before the Issue Opening Date.
- a. Our Company shall, after registering the Prospectus with the RoC, make a pre-Issue advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions and English daily newspaper, all editions of a Hindi daily newspaper and edition of regional newspaper where our Registered Office is situated) each with wide.
- b. Copies of the Application Form and the abridged prospectus will be available at the offices of the LM, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the National Stock Exchange of India Limited (www.nseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.
- c. 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.
- b) 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

- c) The Lead Manager will circulate copies of the Prospectus along with the Application Form to potential investors.
- d) Any investor, being eligible to invest in the Equity Shares offered, who would like to obtain the Prospectus and/ or the Application Form can obtain the same from the Company's Registered Office or from the Registered Office of the Lead Manager.
- e) Applicants who are interested in subscribing to the Equity Shares should approach the Lead Manager or their authorized agent(s) to register their Applications.
- f) Applications made in the name of Minors and/or their nominees shall not be accepted.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one Gujarati newspaper with wide circulation.

Signing of Underwriting Agreement

The issue is 100% Underwritten. Our Company shall enter into an Underwriting Agreement.

Filing of the Prospectus with the RoC

The Company will file a copy of the Prospectus with the RoC in terms of Section 26 of Companies Act, 2013.

Issuance of Confirmation Allocation Note ("CAN")

- a) A physical book is prepared by the Registrar on the basis of the Application Forms received from Investors. Based on the physical book and at the discretion of the Company in consultation with the LM, selected Investors will be sent a CAN and if required, a revised CAN.
- b) In the event that the Offer Price is higher than the Investor Allocation Price: Investors will be sent a revised CAN within 1 (one) day of the Pricing Date indicating the number of Equity Shares allocated to such Investor and the pay-in date for payment of the balance amount. Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Investor Allocation 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 Investors.
- c) In the event the Offer Price is lower than the Investor Allocation Price: Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

Designated Date and Allotment of Equity Shares

- a) **Designated Date:** On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.
- b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated stock exchange, the Registrar shall upload on its website. On the basis of 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 Participants 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 that:** (i) the allotment of the equity shares; and (ii) initiate corporate action for credit of shares to the successful applicant's Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

Interest and Refunds

Completion of Formalities for listing & Commencement of Trading

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instruction for credit of Equity Shares to the beneficiary account with DPs, and dispatch the allotment Advise within 6 Working Days of the Issue Closing Date.

Grounds for Refund

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 permission to deal in and official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of the Prospectus.

In the event that the listing of the Equity Shares does not occur in the manner described in this Prospectus, the Lead Manager and Registrar to the Issue shall intimate Public Issue bank/Bankers to the Issue and Public Issue Bank/Bankers to the Issue shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary bidders.

If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, and as disclosed in the Prospectus.

Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per section 39 of the Companies Act, 2013, if the "Stated Minimum Amount" has not been subscribed and the sum payable on application money has to be returned within such period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of underwriters within Sixty Days from the date of closure of the Issue, the Issuer shall Forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer become liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013)

Minimum Number of Allottees

The Issuer may ensure that the number of Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

Mode of Refund

In case of ASBA Application: Within 6 working days of the Issue Closing Date, the Registrar to the Issue may give instruction to SCSBs for unblocking the amount in ASBA Account of unsuccessful Application and also for any excess amount blocked on Application.

Mode of making refund for ASBA applicants: In case of ASBA Application, the registrar of the issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Issue.

Interest in case of Delay in Allotment or Refund:

The Issuer may pay interest at the Rate of 15% per annum to Applicants if the funds are not unblocked within the 6 Working days of the Issue Closing Date.

Issuance of Allotment Advice

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Lead Manager or the Registrar to the Issue shall send to the Bankers to the Issue a list of their Applicants who have been allocated/Allotted Equity Shares in this Issue.
2. Pursuant to confirmation of corporate actions with respect to Allotment of Equity Shares, the Registrar to the Issue will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.
3. Approval of the Basis of Allotment by the Designated Stock Exchange. As described above shall be deemed a valid, binding and irrevocable contract for the Applicant.

GENERAL INSTRUCTIONS**Do's:**

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Investors using UPI Facility shall generate UPI ID through banking applications (apps) as per the list of banks having UPI handles active provided on SEBI website
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that Applications submitted by any person resident outside India is in compliance with applicable foreign and Indian laws
- All Applicants other than Retail Individual Investors should submit their application through ASBA process only.

- All the Retail Individual Investors shall have an option to make the payment for the IPO application through UPI Mechanism.
- Under UPI facility, if the mobile number is linked with more than one Bank Account, then RII shall select the primary account for the payment;
- Ensure that your Application Form, bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Collection Centre within the prescribed time, except in case of electronic forms;
- Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
- 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;
- With respect to Applications by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Application;
- Ensure that you request for and receive a stamped acknowledgement of your Application;
- Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
- Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process;
- Submit revised Applications to the same Designated Intermediary, as applicable, through whom the original Application was placed and obtain a revised TRS;
- Except for Applications (i) on behalf of the central or state governments and the officials appointed by the courts, who, in terms of SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and (ii) Applications by persons resident in the state of Sikkim, who, in terms of SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the central or the state government and officials appointed by the courts and for Applicants residing in the state of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- 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;
- Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint application, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
- Ensure that the category and sub-category under which the Application is being submitted is clearly specified in the Application Form;

- Ensure that in case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
- If you are resident outside India, ensure that Applications by you are in compliance with applicable foreign and Indian laws;
- Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form and entered into the online IPO system of the NSE EMERGE Platform of National Stock Exchange of India Limited by the relevant Designated Intermediary, match with the DP ID, Client ID and PAN available in the Depository database;
- Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online system of NSE EMERGE Platform of National Stock Exchange of India Limited by the relevant Designated Intermediary, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
- In relation to the ASBA Applications, ensure that you use the ASBA Form bearing the stamp of the relevant Designated Intermediary (in the Specified Locations) (except in case of electronic forms);
- In relation to the payments made through UPI facility, ensure that you have entered correct UPI ID for blocking the funds and shall instruct their respective Banks to release the funds blocked in the ASBA Account/UPI ID linked Bank Account under the ASBA Process;
- Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;

Ensure that while applying through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Collection Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one (1) branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>). Ensure that you have mentioned the correct ASBA Account number in the Application Form;

- Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgement;
- Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- 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;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form;

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form
- Do not apply on another Application Form after you have submitted an Application to the Bankers of the Issue.
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;

- Do not send Application Forms by post; instead submit the same to the Selected Branches / Offices of the Banker to the Issue.
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.
- Do not submit the Application Forms with the Banker(s) to the Issue (assuming that such bank is not a SCSB), our Company, the LM or the Registrar to the Issue (assuming that the Registrar to the Issue is not one of the RTAs) or any non-SCSB bank;
- Do not share your UPI PIN and OTP number with anyone;
- Under UPI mechanism, applicants using third party bank account shall be liable for rejection;
- Do not apply on an Application Form that does not have the stamp of the Designated Intermediary;
- If you are a Retail Individual Applicant, do not apply for an exceeding ₹ 200,000;
- 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;
- Do not submit the General Index Register number instead of the PAN;
- As an ASBA Applicant, do not submit the Application without ensuring that funds equivalent to the entire Application Amount are available to be blocked in the relevant ASBA Account;
- As an ASBA Applicant, do not instruct your respective banks to release the funds blocked in the ASBA Account;
- Do not submit incorrect details of the DP ID, Client ID, UPI ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- 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;
- If you are a QIB, do not submit your Application after 3.00 pm on the Issue Closing Date for QIBs;
- If you are a Non-Institutional Applicant or Retail Individual Applicant, do not submit your Application after 3.00 pm on the Issue Closing Date;
- Do not submit an Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- Do not submit an Application if you are not competent to contract under the Indian Contract Act, 1872, (other than minors having valid depository accounts as per Demographic Details provided by the Depositories);
- If you are a QIB or a Non-Institutional Applicant, do not withdraw your Application or lower the size of your Application (in terms of quantity of the Equity Shares or the Application Amount) at any stage;
- Do not submit more than five (5) ASBA Forms per ASBA Account;
- Do not submit ASBA Forms at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres; and

- Do not submit ASBA Forms to a Designated Intermediary at a Collection Centre unless the SCSB where the ASBA Account is maintained, as specified in the ASBA Form, has named at least one (1) branch in the relevant Collection Centre, for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>).

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Instructions for completing the Application Form

The Applications should be submitted on the prescribed Application Form and in **BLOCK LETTERS** in **ENGLISH only** in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected. The Riis opting to make the payment under UPI mechanism shall enter correct UPI ID, further all the prospective investors making applications using third party bank account or using third party UPI ID linked bank account are liable to be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit application forms in public issues using the stock broker ("broker") network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of National Stock Exchange of India Limited i.e. www.nseindia.com.

Applicant's Depository Account and Bank Details

Please note that, providing bank account details in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number and UPI ID provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants' sole risk and neither the Lead Manager nor the Registrar to the Issue or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form or accepting the mandate request for authorising the blocking of funds the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Payment by Stock Invest

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank s for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

OTHER INSTRUCTIONS

Joint Applications in the case of Individuals

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Applications

An Applicant should submit only one Application (and not more than one). Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications
- ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

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.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple Applications and are liable to be rejected. The Company, in consultation with the Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple Applications is given below:

1. All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.

2. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

Permanent Account Number or PAN or UPI ID

Pursuant to the circular MRD/DOP/CIRC 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Applications without the PAN will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground. As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2019/76, all the Retail Individual investors opting for the UPI mechanism for making the application in the IPO shall enter valid UPI ID and UPI PIN accordingly.

Our Company/ Registrar to the Issue/ Lead Manager can, however, accept the Application(s) in which PAN is wrongly entered into by ASBA SCSB's in the ASBA system, without any fault on the part of Applicant.

RIGHT TO REJECT APPLICATIONS

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds. It should be noted that RIIs using third party bank account for the payment in the public issue using UPI facility or using third party UPI ID linked bank account are liable to be rejected.

GROUND FOR REJECTIONS

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applicants applying in IPO under UPI mechanism, using third party bank account or using third party UPI ID linked bank account shall be liable for rejection;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 2,000;
- Category not ticked;
- Multiple Applications as defined in the Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc.,

where relevant documents are not submitted;

- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulations or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of ₹ 2,00,000, received after 3.00 pm on the Issue Closing Date;
- Applications not containing the details of Bank Account and/or Depositories Account.

Equity Shares in Dematerialized Form with NSDL or CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) a tripartite agreement dated March 19, 2019 with NSDL, our Company and Registrar to the Issue;
 - b) a tripartite agreement dated March 18, 2019 with CDSL, our Company and Registrar to the Issue;
- The Company's shares bear an ISIN No: INE06MH01016
- a) An applicant applying for Equity Shares in demat form must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the application.
 - b) The applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Application Form or Revision Form.
 - c) Equity Shares allotted to a successful applicant will be credited in electronic form directly to the Applicant's beneficiary account (with the Depository Participant).

- d) Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- e) If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- f) The Applicant is responsible for the correctness of his or her demographic details given in the Application Form vis-à-vis those with their Depository Participant.
- g) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange platform where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- h) The trading of the Equity Shares of our Company would be only in dematerialized form.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

<p>Falak Parikh Sona Hi Sona Jewellers (Gujarat) Limited Company Secretary and Compliance Officer Address: 7, Millenium Plaza, Opp. Swaminarayan Mandir, Mansi Cross Road, Vastrapur, Ahmedabad 380013, Gujarat, India Tel: +91 8511191111 Email: cs@sonahisona.com Website: http://www.sonahisona.com</p>	<p>Shanti Gopalkrishnan LINK INTIME INDIA PRIVATE LIMITED Address: C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400083 Maharashtra, India Tel No: 022-4918-6200 Fax No: 022-4918-6195 SEBI Registration No: INR000004058 Email Id: sonahisona.ipo@linkintime.co.in Website: www.linkintime.co.in</p>
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Disposal of applications and application moneys and interest in case of delay

The Company shall ensure the dispatch of Allotment advise, instructions to SCSBs and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within one working day of the date of Allotment of Equity Shares.

The Company shall use best efforts that all steps for completion of the necessary formalities for listing and commencement of trading at NSE EMERGE Platform of National Stock Exchange of India Limited where the Equity Shares are proposed to be listed are taken within 6 (six) working days of closure of the issue.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of section 38(1) of the Companies Act, 2013 which is reproduced below:

'Any person who:

- a. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

- b. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
- c. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of Companies Act, 2013 and shall be treated as Fraud.**

Section 447 of the Companies Act, 2013, is reproduced as below:

“Without Prejudice to any liability including repayment of any debt under this Act or any other law for the time being in force, any person who is found to be guilty of fraud, shall be punishable with imprisonment for a term which shall not be less than six months but which may exceed to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud:

Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years.”

BASIS OF ALLOTMENT

Allotment will be made in consultation with National Stock Exchange of India Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 10,000 equity shares the allotment will be made as follows:
 - a. Each successful applicant shall be allotted 10,000 equity shares; and
 - b. The successful applicants out of the total applicants for that category shall be determined by the withdrawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 10,000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 10,000 equity shares subject to a minimum allotment of 10,000 equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 10,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in the Prospectus.
6. Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 shall be made as follows:
 - a. A minimum of 50% of the net offer of shares to the Public shall initially be made available

for allotment to retail individual investors as the case may be.

- b. The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than retail individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
- c. The unsubscribed portion of the net to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

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

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled '*Basis of Allotment*'.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the National Stock Exchange of India Limited.

Basis of Allotment in the event of Under subscription

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size as specified in page shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The Executive Director/Managing Director of the National Stock Exchange of India Limited - the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Non-Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

Mode of Refunds

- a) **In case of ASBA Bids:** Within 6 (six) Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid, for any excess amount blocked on Bidding, for any ASBA Bids withdrawn, rejected or unsuccessful or in the event of withdrawal or failure of the Offer
- b) In the case of Bids from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/ or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.
- c) In case of Investors: Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Investors. In case of Investors, the Registrar to the Offer may obtain from the depositories, the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Investors in their Investor Application Forms for refunds. Accordingly, 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 Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, may be liable to compensate the Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay

Mode of making refunds for Bidders other than ASBA Bidders

The payment of refund, if any, may be done through various modes as mentioned below:

- (i) **NECS** - Payment of refund may be done through NECS for Bidders having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder as obtained from the Depository;
- (ii) **NEFT** - Payment of refund may be undertaken through NEFT wherever the branch of the Bidders' 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 Bidders 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 Bidders 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;
- (iii) **Direct Credit** - Bidders having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (iv) **RTGS** - Bidders having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS. The IFSC code shall be obtained from the demographic details. Investors should note that on the basis of PAN of the bidder, DP ID and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Offer will obtain from the Depository the demographic details including address, Bidders account details, IFSC code, MICR code and occupation (hereinafter referred to as "Demographic Details"). The bank account details for would be used giving refunds. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Bidders at their sole risk and neither the BRLM or the Registrar to the Offer or the Escrow Collection Banks nor the Company shall have any responsibility and undertake any liability for the same; and
- (v) Please note that refunds, on account of our Company not receiving the minimum subscription of 90% of the Offer, 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 s at other centers etc. Bidders may refer to DRHP

Undertaking by our Company

Our Company undertakes the following:

1. that the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (Six) working days of closure of the Issue;

3. that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
4. that the instruction for electronic credit of Equity Shares/ refund orders/intimation about the refund to non-resident Indians shall be completed within specified time; and
5. that no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.
6. that Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
7. That if our Company does not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given as a public notice which will be issued by our Company within two (2) days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published and the Stock Exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
8. The Equity Shares proposed to be issued by it in the Issue shall be allotted and credited to the successful applicants within the specified time in accordance with the instruction of the Registrar to the Issue;
9. If the Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within fifteen (15) days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants at the rate of 15% per annum for the delayed period
10. That if our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh prospectus with NSE EMERGE of National Stock Exchange of India Limited / RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;
11. That the Promoters' contribution in full, if required, shall be brought in advance before the Issue opens for subscription and the balance, if any, shall be brought on a pro rata basis before the calls are made on Applicants in accordance with applicable provisions under SEBI ICDR Regulations;
12. That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
13. That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of Allotment; and
14. That it shall comply with such disclosure and account norms specified by SEBI from time to time

Utilization of Issue Proceeds

Our Board 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 and continue to be disclosed till any part of the issue proceeds remains unutilized under an appropriate separate head in the Company's balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate 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 section SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to section 177 of the Company's Act, 2013 in relation

to the disclosure and monitoring of the utilization of the proceeds of the Issue respectively.

- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- 6) Our Company declares that all monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act.

INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer shall make the Allotment within the period prescribed by SEBI. The Issuer shall pay interest at the rate of 15% per annum if Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner/instructions for unblocking of funds in the ASBA Account are not dispatched within such times as maybe specified by SEBI.

(C) Issue Structure

This Issue is being made in terms of Regulation 229 of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue Face value capital exceeds ₹ 10 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 NSE EMERGE Platform). For further details regarding the salient features and terms of such an issue please refer chapter titled "*Terms of the Issue*" and "*Issue Procedure*" on page 196 and 201 respectively of this Prospectus.

Public issue of 45,00,000 equity shares of face value of ₹ 10 each for cash at a price of ₹ 10/- per equity share including a share premium of ₹ 10/- per equity share (the "issue price") aggregating to ₹ 450 lakhs ("the issue") by our company.

Particulars	Net Issue to Public	Market Maker reservation portion
Number of Equity Shares*	42,60,000 Equity Shares	2,40,000 Equity Shares
Percentage of Issue Size available for allocation	94.66% of the Issue Size	5.33% of the Issue Size
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate subject to minimum allotment of 10,000 Equity Shares and Further allotment in multiples of 10,000 Equity Shares each. For further details please refer to the chapter titled "Issue Procedure" on page 201 of this Prospectus.	Firm Allotment
Mode of Application	All the Retail Individual Investors shall apply through UPI Payment Mechanism. All other applicants and Retail Individual Investors whose Bank do not provide UPI Payment facility shall apply through ASBA process only.	Through ASBA mode Only.
Minimum Application Size	For QIB and NII: Such number of Equity Shares in multiples of 10,000 Equity Shares such that the Application Value exceeds ₹ 2,00,000 For Retail Individuals: Such number of equity shares where application size is of at least ₹ 1,00,000/.	2,40,000 Equity Shares
Maximum Bid	For QIB and NII: Such number of Equity Shares in multiples of 10,000 Equity Shares such that the Application Size does not exceed the size of the offer subject to adhere under the relevant laws and regulations as applicable. For Retail Individuals:	2,40,000 Equity Shares

Particulars	Net Issue to Public	Market Maker reservation portion
	Such number of equity Shares so that the Application Value does not exceed ₹ 2,00,000/-	
Mode of Allotment	Compulsorily in dematerialized mode	Compulsorily in dematerialized mode
Trading Lot	10,000 Equity Shares	10,000 Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
Terms of payment	In case of ASBA, the entire application amount shall be blocked at the time of submission of Application Form to the SCSBs and in case of UPI as an alternate mechanism, application amount shall be blocked at the confirmation of mandate collection request by the Applicant.	

* 50 % of the shares offered in the Net Issue to Public portion are reserved for applications whose value is below ₹ 2,00,000 and the balance 50 % of the shares are available for applications whose value is above ₹ 2,00,000.

Note:

- 1. In case of joint application, the Application Form should contain only the name of First Applicant whose name should also appear as the first holder of 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 joint holders.*
- 2. Applicants will be required to confirm and will be deemed to have represented to our Company, the LM, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.*
- 3. SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.*

Withdrawal of the Issue

In accordance with the SEBI ICDR Regulations 2018, our Company, in consultation with Lead Manager, reserves the right not to proceed with this Issue at any time after the Issue Opening Date, but before our Board meeting for Allotment, without assigning reasons thereof.

If our Company withdraws the Issue after the Issue Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-Issue advertisements were published.

Further, the Stock Exchanges shall be informed promptly in this regard and the Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification. In case our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the NSE EMERGE Platform where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the

SEBI Regulations, Non retail Applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities at Mumbai.

Issue Programme

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

Particulars	Date
Issue opens on	September 30, 2019
Issue closes on	October 04, 2019
Finalisation of Basis of Allotment with NSE EMERGE	October 10, 2019
Initiation of Allotment / Refunds/ un-blocking of ASBA Accounts	October 11, 2019
Credit of Equity Shares to demat accounts of the Allottees	October 14, 2019
Commencement of trading of the Equity Shares on NSE EMERGE Platform	October 15, 2019

The above timetable is indicative and does not constitute any obligation on our Company or the LM.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on NSE EMERGE Platform are taken within six (6) Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from NSE EMERGE. The Commencement of trading of the Equity Shares will be entirely at the discretion of NSE EMERGE and in accordance with the applicable laws.

Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Applicants. The time for applying for Retail Individual Applicants on Issue Closing Date maybe extended in consultation with the LM, RTA and NSE EMERGE Platform taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Application Forms on the Issue Closing Date, Applicants are advised to submit their applications one (1) day prior to the Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Issue Closing Date. However, uploading of bids received from non- retail applicants i.e. QIBs and HNIs should not be done later than 4.00 p.m. (IST). Any time mentioned in this Prospectus is IST. Applicants are cautioned that, in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public issues, some Application Forms may not get uploaded due to the lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the LM is liable for any failure in uploading the Application Forms due to faults in any software/hardware system or otherwise.

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

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from NSE EMERGE may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

(D) Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP").

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP"), has issued consolidated FDI Policy Circular of 2017 ("FDI Policy 2017"), which is effective from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India ("RBI") also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated January 4, 2018 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100% foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore, applicable foreign investment up to 100% is permitted in our company under automatic route.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained by the Company.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include: (i) where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that: a) the requisite approval of the Government has been obtained; and b) the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time.; (ii) where the transfer of shares attract SEBI (SAST) Regulations subject to the adherence with the pricing guidelines and documentation requirements as specified by Reserve Bank of India from time to time.; (iii) where the transfer of shares does not meet the pricing guidelines under the FEMA, 1999 provided that: a) The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, etc.), reporting requirements, documentation etc.; b) The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations/guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/substantial acquisition/SEBI SAST); and Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations/guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank and iv) where the investee company is in the financial sector provided that: a) Any 'fit and proper/due diligence' requirements as regards the non-resident investor as stipulated by the respective financial

sector regulator, from time to time, have been complied with; and b) The FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, pricing, etc.), reporting requirements, documentation etc., are complied with. As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

INVESTMENT CONDITIONS/RESTRICTIONS FOR OVERSEAS ENTITIES

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment up to aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

I. Investment by FPIs under Portfolio Investment Scheme (PIS):

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10 % of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24 % of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

II. Investment by NRI or OCI on repatriation basis:

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognized stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 i.e. the total holding by any individual NRI or OCI shall not exceed 5 percent of the total paid-up equity capital on a fully diluted basis or should not exceed 5 percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10 percent of the total paid-up equity capital on a fully diluted basis or shall not exceed 10 percent of the paid-up value of each series of debentures or preference shares or share warrants;

provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

III. Investment by NRI or OCI on non-repatriation basis

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorized. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Prospectus.

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

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 ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

(E) Description of Equity Shares and Terms of Articles of Association

**THE COMPANIES ACT, 2013
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
SONA HI SONA JEWELLERS (GUJARAT) LIMITED**

1.	Table F not to apply	The regulations contained in Table F, in the first Schedule, to the Companies Act, 2013 shall not apply to this Company, but the regulations for the management of the Company and for the observance of the members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alternation of, or addition to, its regulations by Special Resolution, as prescribed by the said Companies Act, 2013 be such as are contained in these Articles
2.	Interpretation	In the interpretation of these Articles, the following words and expressions shall have the following meanings assigned thereunder, unless repugnant to the subject matter or content thereof.

(a) “The Act” or “the said Act”

“The Act” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force.

(b) “These Articles”

“These Articles” means Articles of Association for the time being of the Company or the Articles of Association as altered from time to time by special resolution.

(c) “Beneficial Owner”

“Beneficial Owner” shall have the meaning assigned thereto in clause(a) of sub-section (1) of Section 2 of the Depositories Act, 1996.

(d) “The Company” or “this Company”

“The Company” or “this Company” means SONA HI SONA JEWELLERS (GUJARAT) LIMITED.

(e) “The Directors”

“The Directors” means the Directors for the time being of the Company or as the case may be, the Directors assembled at a Board.

(f) “Depository”

“Depository” shall have the meaning assigned thereto by Section 2 (1)(e) of the Depositories Act, 1996.

(g) “Depositories Act 1996”

“Depositories Act 1996” includes any statutory modification or re- enactment thereof.

(h) “The Board” or the “Board of Directors”

“The Board,” or the “Board of Directors” means a meeting of the Directors duly called and

constituted or as the case may be the Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with the Act.

(i) "The Chairman"

"The Chairman" means the Chairman of the Board of Directors for the time being of the Company.

(j) "The Managing Director"

"The Managing Director" includes one or more persons appointed as such or any of such persons or Directors for the time being of the Company who may for the time being be the Managing Director of the Company.

(k) "The Office"

"The Office" means the Registered Office for the time being of the Company.

(l) "Capital"

"Capital" means the share capital for the time being raised or authorised to be raised, for the purpose of the Company.

(m) "The Registrar"

"The Registrar" means the Registrar of Companies of the State in which the office of the Company is for the time being situated.

(n) "Dividend"

"Dividend" includes Bonus.

(o) "Month"

"Month" means the calendar month.

(p) "Seal"

"Seal" means the Common Seal for the time being of the Company.

(q) "In Writing and Written"

"In Writing and Written" include printing, lithography and other modes of representing or reproducing words in a visible form.

(r) "Plural Number"

Words importing the singular number also include the plural number and vice versa.

(s) "Persons"

"Persons" include corporations and firms as well as individuals.

(t) "Gender"

Words importing the masculine gender also include the feminine gender.

(u) "Securities & Exchange Board of India"

"Securities & Exchange Board of India" or SEBI means the Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.

(v) "Year and Financial Year"

"Year" means the Calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.

Expression in the Act to bear same meaning in these Articles.	Save as aforesaid, any words or expressions defined in the Act shall, except where the subject or context forbids, bear the same meaning in the Articles
Marginal Notes	The marginal notes hereto shall not affect the construction of these Articles.

COPIES OF MEMORANDUM AND ARTICLES TO BE FURNISHED BY THE COMPANY

3. Pursuant to Section 17 of the Act, Company shall, on being so required by a member, send to him within 7 (seven) days of the requirement and subject to the payment of a fee of ₹ 100/- or such other fee as may be specified in the Rules, a copy of each of the following documents, as in force for the time being:
 - i. The Memorandum;
 - ii. The Articles, if any;
 - iii. Every other agreement and every resolution referred to in Section 117(1), of the Act, if and in so far as they have not been embodied in the Memorandum or Articles.

CAPITAL AND SHARES

4. The Authorized Share Capital of the Company is as per clause V of the Memorandum of Association of the Company with all rights to the company to alter the same in any way it thinks fit.
5. The Board may, from time to time, with the sanction of the Company in a general meeting, increase the share capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.
6. The shares capital shall be distinguished by its appropriate number provided that nothing in this clause shall apply to the shares held with a depository.

SHARES AT THE DISPOSAL OF THE DIRECTORS

7. Subject to the provisions of Section 62 of the Act and these Articles, the shares capital of Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, In proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 53 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting.

FURTHER ISSUE OF SHARES

8. (1) Where at any time the company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered -
 - (a) to persons who at the date of the offer are holders of equity shares of the company in proportion, as nearly as circumstances admit to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:-
 - i. the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the

offer within which the offer, if not accepted, shall be deemed to have been declined;

- ii. unless the articles of the company otherwise provide, the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) shall contain a statement of this right;
 - iii. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the company;
- (b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such conditions as may be determined by central government; or
- (c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be determined by central government.
- (2) The notice referred to in sub-clause (i) of clause (1) (a) shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.
- (3) Nothing in this section shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company.

The terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.

POWER TO OFFER SHARES/OPTIONS TO ACQUIRE SHARES

- 9.(i) Without prejudice to the generality of the powers of the Board under any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified there under and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount, in case of shares issued as sweat equity shares as per section 54 of the Act or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force.
- (ii) In addition to the powers of the Board under Article 9(i), the Board may also allot the Shares referred to in Article 9(i) to any trust, whose principal objects would inter alia include further transferring such Shares to the Company's employees including by way of options, as referred to in Article 9(i) in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit.

The Board, or any Committee thereof duly authorized for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 9(i) and (ii) above.

REDEEMABLE PREFERENCE SHARES

10. Subject to the provisions of Section 55 of the Act, the Company shall have the power to issue preference shares which are or at the option of the Company, are liable to be redeemed and the resolution authorizing such issues shall prescribe the manners, terms and conditions of redemption.

PROVISIONS APPLICABLE IN CASE OF REDEEMABLE SHARES

11. On the issue of redeemable preference shares under the provisions of Article 10 hereof, the following provisions shall take effect.
 - (a) No such shares shall be redeemed except out of the profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of such redemption;
 - (b) No such shares shall be redeemed unless they are fully paid;
 - (c) where such shares are proposed to be redeemed out of the profits of the company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the Capital Redemption Reserve Account and the provisions of this Act relating to reduction of share capital of a company shall apply as if the Capital Redemption Reserve Account were paid-up share capital of the company.

NEW CAPITAL SAME AS ORIGINAL CAPITAL

12. Except so far as otherwise provided by the conditions of issue or by these Articles any capital raised by the creation of new shares shall be considered part of the initial capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments; transfer and transmission, forfeiture, lien, surrender, voting and otherwise.

RESTRICTIONS ON PURCHASE BY COMPANY OR GIVING OF LOANS BY IT FOR PURCHASE OF ITS SHARES

13. (1) The company shall not have power to buy its own shares unless the consequent reduction of share capital is affected in accordance with provisions of the Companies Act, 2013 or other applicable provisions (if any) of the Act as applicable at the time of application.

This Article is not to delegate any power which the Company would have if it were omitted.

- (2) The company shall not give, whether directly or indirectly and whether by means of a loan, guarantee the provision of security or otherwise, any financial assistance for the purpose of, or in connection with, a purchase or subscription made or to be made, by any person of or for any shares in the company or in its holding company.

- (3) Nothing in sub-clause (2) shall apply to –

- (a) the company in accordance with any scheme approved by company through special resolution and in accordance with such requirements as may be determined by central government, for the purchase of, or subscription for, fully paid up shares in the company or its holding company, if the purchase of, or the subscription or, the shares held by trustees for the benefit of the employees or such shares held by the employee of the company;
- (b) the giving of loans by a company to persons in the employment of the company other than its directors or key managerial personnel, for an amount not exceeding their salary or wages for a period of six months with a view to enabling them to purchase or subscribe for fully paid-up shares in the company or its holding company to be held by them by way of beneficial ownership:

Provided that disclosures in respect of voting rights not exercised directly by the employees

in respect of shares to which the scheme relates shall be made in the Board's report in such manner as may be determined by central government.

REDUCTION OF CAPITAL

14. The Company may, subject to the provisions of the Companies Act, 2013 or other applicable provisions (if any) of the Act, as applicable at the time of application from time to time by special resolution, reduce its capital and any capital redemption reserve account or any share premium account in any manner for the time being authorized by law and in particular, capital may be paid off on the footing that it may be called up again or otherwise.

CONSOLIDATION AND DIVISION OF CAPITAL

15. The Company may in general meeting alter the conditions of its Memorandum of Association as follows:
 - (a) Consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares but no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner;
 - (b) Sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
 - (c) Cancel shares which at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled. The cancellation of shares in pursuance of this sub-clause, shall not be deemed to be reduction of share capital within the meaning of the Act.

SALE OF FRACTIONAL SHARES

16. If and whenever as a result of issue of new shares of any consolidation or sub-division of shares any share become held by members in fractions, the Board shall, subject to the provisions of the Act and the Articles and to the directions of the Company in General Meeting, if any, sell those shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportions the net proceeds of the sale thereof. For the purpose of giving effect to any such sale, the Board may authorise any person to transfer the shares and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

MODIFICATION OF RIGHTS

17. Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into classes of shares all or any of the rights and privileges attached to each class may subject to the provisions of the Companies Act, 2013 be modified, commuted, affected or abrogated, or dealt with by Agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a Special Resolution passed at a separate general meeting of the holders of shares of the class

ISSUE OF FURTHER SHARES ON PARI PASSU BASIS

18. The rights conferred upon the holders of shares of any class issued with preferred or other rights, not unless otherwise expressly provided by the terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

NO ISSUE WITH DISPROPORTIONATE RIGHTS

19. The Company shall not issue any shares (not being preference shares) which carry voting right or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares (not being preference shares).

POWER OF COMPANY TO DEMATERIALIZED AND REMATERIALIZED

- (a) "Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing shares, debentures and other securities and rematerialize its such shares, debentures and other securities held by it with the Depository and/ or offer its fresh shares and debentures and other securities in a dematerialized form pursuant to the Depositories Act, 1996 and the Rules framed there under if any"

DEMATERIALIZED OF SECURITIES

- (b) **Either** on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialized form, the Company shall enter into an agreement with the depository to enable the investor to dematerialize the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.

INTIMATION TO DEPOSITORY

- (c) "**Notwithstanding** anything contained in this Article, where securities are dealt with in a Depository, the **Company** shall intimate the details of allotment of securities to Depository immediately on allotment of such Securities"

OPTION FOR INVESTORS

- (d) "Every **person** subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. A beneficial owner of any security **can** at any time opt out of a Depository, if permitted by law, in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

THE COMPANY TO RECOGNIZE UNDER DEPOSITORIES ACT, INTEREST IN THE SECURITIES OTHER THAN THAT OF REGISTERED HOLDER

- (e) "The **Company** or the investor may exercise an option to issue, deal in, hold the securities (including shares) with **Depository** in electronic form and the certificates in respect thereof shall be, dematerialized in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996."

SECURITIES IN DEPOSITORIES AND BENEFICIAL OWNERS

- (f) "All **Securities** held by a Depository shall be dematerialized **and** be in fungible form. Nothing contained in Sections 89 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners."

RIGHTS OF DEPOSITORIES AND BENEFICIAL OWNERS

- (g) (i) Notwithstanding anything to the contrary **contained** in the Act or these Articles, a depository **shall** be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.
- (ii) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (iii) Every person holding securities of the Company and whose name if entered as the

beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a depository.

DEPOSITORY TO FURNISH INFORMATION

- (h) Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

SHARES AND CERTIFICATES

REGISTER AND INDEX OF MEMBERS

20. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Sections 88 and other applicable provisions of the Act and the Depositories Act, 1996 with details of shares held in physical and dematerialized forms in any media as may be permitted by law including in any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall also be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or country.

SHARES TO BE NUMBERED PROGRESSIVELY

21. The shares in the capital shall be numbered progressively according to their several denominations and except in the manner herein before mentioned, no share shall be sub-divided.

DIRECTORS MAY ALLOT SHARES FULLY PAID-UP

22. Subject to the provisions of the Act and of these Articles, the Board may allot and issue shares in the capital of the Company as payment or part payment for any property sold or transferred, goods or machinery supplied or for services rendered to the company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up shares and if so issued shall be deemed to be fully paid up shares.

APPLICATION OF PREMIUM RECEIVED ON SHARES

23. (1) Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to a "securities premium account" and the provisions of this Act relating to reduction of share capital of a company shall, except as provided in this article, apply as if the securities premium account were the paid-up share capital of the company.

(2) Notwithstanding anything contained in clause (1), the securities premium account may be applied by the company -

- a) towards the issue of unissued shares of the company to the members of the company as fully paid bonus shares;
- b) in writing off the preliminary expenses of the company.
- c) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company;
- d) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the company; or

- e) for the purchase of its own shares or other securities under section 68.

ACCEPTANCE OF SHARES

24. Subject to the provisions of these Articles, any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these articles and every person who thus or otherwise accept any shares and whose name is on the Register of Members shall, for the purposes of these Articles, be a member, provided that no share shall be applied for or allotted to a minor, insolvent or person of unsound mind.

LIABILITY OF MEMBERS

25. Every member or his heir, executors or administrators shall pay to the Company the proportion of the capital represented by his share or shares which may, for the time being remain unpaid thereon in such amounts, at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's regulations require or fix for the payment thereof.

LIMITATION OF TIME FOR ISSUE OF CERTIFICATE

26. The Company shall, unless the conditions of issue otherwise provide, within three months after the allotment of any of its shares or debentures and within one month after the application for the transfer of any such shares or debentures, complete and have ready for delivery the certificates of all shares and debentures allotted or transferred.

Every members shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate to all such holder.

ISSUE OF NEW CERTIFICATE IN PLACE OF DEFACED, LOST OR DESTROYED

27. If any certificate be worn out, defaced mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, an a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every Certificates under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding ₹ 20/- for each certificate) as the Directors shall prescribe. Provided that no fees shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

RIGHT TO OBTAIN COPIES OF AND INSPECT TRUST DEED

28. A copy of any Trust Deed for securing any issue of debentures shall be forwarded to the holders of any such debentures or any member of the Company at his request and within seven days of the making thereof on payment not exceeding ₹ 10/- (Rupees Ten) per page.

The Trust Deed referred to in item (i) above also be open to inspection by any member or debenture holder of the Company in the same manner, to the same extent, and on payment of these same fees, as if it were the Register of members of the Company.

JOINT ALLOTTEES OF HOLDERS

29. Any two or more joint allottees or holders of shares shall, for the purpose of Articles, be treated as a single member and the certificate for any share, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them.

COMPANY NOT BOUND TO RECOGNISE ANY INTEREST IN SHARE OTHER THAN THAT OF REGISTERED HOLDER

30. (i) The Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share or (except only as is by these presents, otherwise expressly provided) any right in respect of a share other than an absolute right there to, in accordance with these presents in the person from time to time registered as the holder thereof, but the Board shall be at liberty at its sole discretion to register any share in the joint names of two or more persons or survivors of them.

(ii) Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or as by Law required) be bound to recognize any benami trust or equitable, contingent, future, partial or other claim or claims or right to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

WHO MAY HOLD SHARES

31. Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or in the name of a person of unsound mind or in the name of any firm or partnership.
32. The Directors shall have the power to offer, issue and allot Equity Shares in or Debentures (whether fully/partly convertible or not into Equity Shares) of the Company with or without Equity Warrants to such of the Officers, Employees, Workers of the Company or of its Subsidiary and / or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as "the Employees") as may be selected by them or by the trustees of such trust as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme, trust plan or proposal that may be formulated, created, instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit.

SWEAT EQUITY

33. Subject to the provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition.

DECLARATIONSIN RESPECT OF BENEFICIAL INTEREST IN ANY SHARES

34. (1) In pursuance of section 89 of the act, where the name of a person is entered in the register of

members of a company as the holder of shares in that company but who does not hold the beneficial interest in such shares, such person shall make a declaration (within such time and in such form as may be determined by Central Govt.) to the company specifying the name and other particulars of the person who holds the beneficial interest in such shares.

(2) Every person who holds or acquires a beneficial interest in share of the company shall make a declaration to the company specifying the nature of his interest, particulars of the person in whose name the shares stand registered in the books of the company and such other particulars (as may be determined by Central Govt.)

(3) Where any change occurs in the beneficial interest in such shares, the person referred to in clause (1) and the beneficial owner specified in clause (2) shall, within a period of thirty days from the date of such change, make a declaration to the company in such form and containing such particulars (as may be determined by Central Govt.)

(4) The Company has been bound to follow the rules as may be made by the Central Government to provide for the manner of holding and disclosing beneficial interest and beneficial ownership under this section.

(5) Where any declaration under this article is made to a company, the company shall make a note of such declaration in the register concerned and shall file, within thirty days from the date of receipt of declaration by it, a return in the prescribed form with the Registrar in respect of such declaration with such fees or additional fees as may be determined by central government, within the time specified under section 403.

(6) No right in relation to any share in respect of which a declaration is required to be made under this article but not made by the beneficial owner, shall be enforceable by him or by any person claiming through him.

(7) Nothing in this article shall be deemed to prejudice the obligation of a company to pay dividend to its members under this Act and the said obligation shall, on such payment, stand discharged.

FUNDS OF COMPANY NOT TO BE APPLIED IN PURCHASE OF SHARES OF THE COMPANY

35. No funds of the Company shall except as provided by Section 67 of the Act, be employed in the purchase of its own shares, unless the consequent reduction of capital is effected and sanction in pursuance of provisions of the Companies Act, 2013 as may be applicable at the time of application and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any Share in the Company in its holding Company.

ISSUE OF SHARES WITHOUT VOTING RIGHTS

36. In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such share upon such terms and conditions and with such rights and privileges annexed thereto as through fit and as may be permitted by law.

SECTIONS 45 OF ACT NOT TO APPLY

37. Notwithstanding anything to the contrary contained in the Articles,
(i) Section 45 of the Act shall not apply to the Shares held with a Depository;

TRUST RECOGNIZED

38. Except as ordered, by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof, any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided)

any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.

Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or of a person of unsound mind (except in case where they are fully paid) or in the name of any firm or partnership.

REGISTRATION OF CHARGES

39. The provisions of the Act relating to registration of charges shall be complied with.

In case of a charge created out of India and comprising solely property situated outside India, the provisions of Section 77 of the Act shall also be complied with.

Where a charge is created in India but comprised property outside India, the instrument, creating or purporting to create the charge under Section 77 of the Act or a copy thereof verified in the prescribed manner, may be filed for registration, notwithstanding that further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situated, as provided by Section 77 of the Act.

Where any charge on any property of the Company required to be registered to be registered under Section 77 of the Act has been so registered, any person acquiring such property or any part thereof or any share or interest therein shall be deemed to have notice of the charge as from the date of such registration.

Any creditors or member of the Company and any other person shall have the right to inspect copies of instruments creating charges and the Company's Register of Charges in accordance with and subject to the provisions of Section 85 of the Act.

UNDERWRITING AND BROKERAGE COMMISSION MAY BE PAID

40. A company may pay commission to any person in connection with the subscription or procurement of subscription to its securities, whether absolute or conditional, subject to the following conditions, namely: -

- (a) The payment of such commission shall be authorized in the company's articles of association;
- (b) The commission may be paid out of proceeds of the issue or the profit of the company or both;
- (c) The rate of commission paid or agreed to be paid shall not exceed, in case of shares, five percent of the price at which the shares are issued or a rate authorised by the articles, whichever is less, and in case of debentures, shall not exceed two and a half per cent of the price at which the debentures are issued, or as specified in the company's articles, whichever is less;
- (d) The prospectus of the company shall disclose—
 - (i) The name of the underwriters;
 - (ii) The rate and amount of the commission payable to the underwriter; and
 - (iii) The number of securities which is to be underwritten or subscribed by the underwriter absolutely or conditionally.
- (e) There shall not be paid commission to any underwriter on securities which are not offered to the public for subscription;
- (f) A copy of the contract for the payment of commission is delivered to the Registrar at the time of delivery of the prospectus for registration.

BROKERAGE MAY BE PAID

41. The Company may pay a reasonable sum for brokerage on any issue of shares and debentures.

CALLS ON SHARES

DIRECTORS MAY MAKE CALLS

42. The Board of Directors may from time to time by a resolution passed at meeting of the Board (and not by circular resolution) make such call as it may think fit upon the members in respect of all moneys unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at a fixed time and each member shall pay the amount of every call so made on him to the persons and at the times and place appointed by the Board of Directors. A call may be made payable by installments.

CALLS ON SHARES OF THE SAME CLASS TO BE MADE ON UNIFORM BASIS

43. Where any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purpose of this Article shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

NOTICE OF CALLS

44. One month notice at least of every call payable otherwise than on allotment shall be given by the Company specifying the time and place of payment and to whom such call shall be paid.

CALLS TO DATE FROM RESOLUTION

45. A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed at a meeting of the Board of Directors and may be made payable by the members on the Register of Members on a subsequent date to be fixed by the Board.

DIRECTORS MAY EXTEND TIME

46. The Board of Directors may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such times as to all or any of the members, who from residence at a distance or other cause, the Board of Directors may deem fairly entitled to such extension save as a matter of grace and favour.

CALL TO CARRY INTEREST AFTER DUE DATE

47. If any member fails to pay a call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board of Directors, but nothing in this Article shall render it compulsory upon the Board of Directors to demand or recover any interest from any such member.

PROOF ON TRIAL IN SUIT FOR MONEY DUE ON SHARES

48. Subject to the provisions of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears, entered on the register of members as the holder at or subsequent to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be received, that the resolution making the call is duly recorded in the minute book and that notice of such call was duly given to the member or his representatives sued in pursuance of these presents and it shall not be necessary to prove the appointment of the

Directors who made such call, nor that a quorum was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST

49. The Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate not exceeding 12% unless the company in general meeting shall otherwise direct, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall mutatis mutandis apply to the calls on debenture of the Company.

FORFEITURE, SURRENDER AND LIEN

IF CALL OR INSTALLMENT NOT PAID, NOTICE MAY BE GIVEN

50. If any member fails to pay any call or installment of a call in respect of any shares on or before the day appointed for the payment of the same, the Board may at any time hereafter during such time as the call or installment remains unpaid, serve a notice on such member or on the person (if any) entitled to the share by transmission requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

FORM OF NOTICE

51. The notice shall name a day (not being earlier than the expiry of fourteen days from the date of service of the notice) and a place or places on and at which such money, including the call or installment and such interest and expenses as aforesaid is to be paid. The notice shall also state that in the event of non-payment on or before the time and at the place appointed, the shares in respect of which the calls was made or installment was payable, will be liable to be forfeited.

IN DEFAULT TO PAYMENT SHARES TO BE FORFEITED

52. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before all the calls or installments and interest and expenses due in respect thereof are paid, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonus declared in respect of the forfeited shares and not actually paid before forfeiture but provided that there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

NOTICE OF FORFEITURE

53. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members provided however that the failure to give the notice of the shares having been forfeited will not in any way invalidate the forfeiture.

FORFEITED SHARES TO BECOME PROPERTY OF THE COMPANY

54. Any shares so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot otherwise dispose of the same in such manner as it thinks fit.

POWER TO ANNUL FORFEITURE

55. The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed off, annul the forfeiture thereof as a matter of grace and favour but not as of right upon such terms and conditions as it may think fit.

ARREARS TO BE PAID NOTWITHSTANDING FORFEITURE

56. Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of forfeiture until payment at such rate not exceeding fifteen per cent per annum as the Board may determine and the Board may enforce the payment of such moneys or any part thereof if it thinks fit, but shall not be under any obligation so to do.

EFFECT OF FORFEITURE

57. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company, in respect of the share and all other rights, incidental to the share except only such of those rights as are by these Articles expressly saved.

PROCEEDS HOW TO BE APPLIED

58. The net proceeds of any such sale shall be applied in or towards satisfaction of the said debts, liabilities or engagements and the residue (if any) paid to such member, his heirs, executors, administrators or assigns.

DECLARATION OF FORFEITURE

59. (a) A duly verified declaration in writing that the declarant is a Director, the Managing Director of the Manager of the Secretary of the Company, and that share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

(b) The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof any may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.

(c) The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.

(d) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment.

(e) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale re-allotment or other disposal of the Shares.

60. The declaration as mentioned in Article 59 (a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

TITLE OF PURCHASER AND ALLOTTEE OF FORFEITED SHARES

61. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed off and the person to whom such share is sold, re-allotted or disposed off may be registered as the holder of the share. Any such purchaser or allottee shall not (unless

by express agreement to the contrary) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment, nor shall he be entitled (unless by express agreement to contrary) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment. Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any; nor shall his title to the share be affected by any irregularity or invalidity in the proceedings with reference to the forfeiture, sale, re-allotment or disposal of the share.

PARTIAL PAYMENT NOT TO PRECLUDE FORFEITURE

62. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided.

THE PROVISIONS OF THESE ARTICLES AS TO FORFEITURE TO APPLY IN CASE OF NON-PAYMENT OF ANY SUM

63. The provisions of these Articles as to forfeiture shall apply to the case of non-payment of any sum which by the terms of issue of a share becomes payable at a fixed time, whether on account of the nominal value of the Shares or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

BOARD MAY ACCEPT SURRENDER OF SHARES

64. The Board may at any time, subject to the provisions of the Act, accept the surrender of any share from or by any member desirous of surrendering the same on such terms as the Board may think fit.

COMPANY'S LIEN ON SHARE/DEBENTURES

65. The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. The registration of a transfer of shares/debentures shall not operate as a waiver of the Company's lien if any, on such shares/debentures unless otherwise agreed by the Board. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Article.

ENFORCING LIEN BY SALE

66. For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as it thinks fit but no sale shall be made until such time fixed as aforesaid shall have arrived and until notice in writing of the intention to sell, shall have been served on such member his heirs, executors, administrators or other legal representatives as the case may be and default shall have been made by him or them in payment, fulfillment or discharged of such debts, liabilities or engagements for fourteen days after the date of such notice.

APPLICATION OF PROCEEDS OF SALE

67. The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of the said debts, liabilities or engagements and the residue, if any, shall be paid to such member, his heirs, executors, administrators or other legal representatives, as the case may

be.

VALIDITY OF SALE IN EXERCISE OF LIEN AND AFTER FORFEITURE

68. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board of Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the Register of members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

BOARD OF DIRECTORS MAY ISSUE NEW CERTIFICATES

69. Where an shares under the powers in that behalf herein contained are sold by the Board of Directors after forfeiture or for enforcing a lien, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall voluntarily or on demand by the Company, have been previously surrendered to the Company by the defaulting member) stand cancelled and become null and void and of no effect and the Board of Directors may issue a new certificate or certificates for such shares distinguishing it or them in such manner as it may think fit from the certificate or certificates previously issued in respect of the said shares.

SUM PAYABLE ON ALLOTMENT TO BE DEEMED A CALL

70. For the purpose of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment.

TRANSFER AND TRANSMISSION OF SHARES REGISTER OF TRANSFER

71. The Company shall keep a book to be called the Register of Transfer and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

EXECUTION OF TRANSFER

72. Subject to the Provisions of the Act and these Articles, the transfer of shares in or debentures of the Company shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificate if in existence or along with the letter of allotment of the shares or debentures. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in respect thereof. Shares of different classes shall not be included in the same instrument of transfer.

INSTRUMENT OF TRANSFER

73. Every such instrument of transfer shall be signed both by the Transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of members in respect thereof.

FORM OF TRANSFER

74. The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and registration thereof. The Company shall use a common form for transfer.

NO TRANSFER TO A PERSON OF UNSOUND MIND, ETC

75. No transfer shall be made to a minor or a person of unsound mind.

TRANSFER OF SHARES

76. (i) An application for the registration of a transfer of shares may be made either by the transferor or by the transferee.
- (ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
- (iii) For the purpose of clause (2) hereof notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instruments of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

DIRECTORS MAY REFUSE TO REGISTER TRANSFER

77. Subject to the Provisions of Section 58 and 59, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be giving reasons for such refusal. Provided that the registration of a transfer shall not be refused person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares. If the Company refuses to register the transfer of any share or transmission of right therein, the Company shall within one month from the date on which instrument of transfer or the intimation of transmission, as the case may be, was delivered to the Company, sends notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be. Nothing in these Articles shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares of the Company has been transmitted by operation of law.

NO FEE ON TRANSFER OR TRANSMISSION

78. No fee shall be charged for registration of transfer, transmission, Probate, Succession, Certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

TRANSFER TO BE LEFT AT OFFICE AS EVIDENCE OF TITLE GIVEN

79. Every instruments of transfer duly executed and stamped shall be left at the office for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.

WHEN TRANSFER TO BE RETAINED

80. All instruments of transfer which are registered shall be retained by the Company but any instrument of transfer which the Board declines to register shall, on demand, be returned to the person depositing the same. The Board may cause to be destroyed all transfer deeds lying with the Company after such period not being less than eight years as it may determine.

DEATH OF ONE OR MORE JOINT HOLDERS OF SHARES

81. In the case of death of any one or more of the persons named in Register of Members as joint shareholders of any share, the survivors shall be the only persons recognized by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a joint shareholder from any liability to the Company on shares held by him jointly with any other person.

TITLE TO SHARES OF DECEASED HOLDER

82. Subject to Article 81 the heir, executor or administrator of a deceased shareholder shall be the only person recognized by the Company as having any title to his shares and the Company shall not be bound to recognize such heir, executor or administrator unless such heir, executor or administrator shall have first obtained probate, letters of administration or succession certificate.

REGISTRATION OF PERSONS ENTITLED TO SHARE OTHERWISE THAN BY TRANSFER

83. Subject to the provisions of Article 90 any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these present, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that the sustains the character in respect of which he proposes to act under this Article or of such titles as the Directors shall think sufficient, either be registered himself as a member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a member in respect of such shares. Provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favor of his nominee on instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be free from any liability in respect of such shares.

A transfer of the share or other interest in the Company of a deceased member thereof made by his legal representative shall although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.

CLAIMANT TO BE ENTITLED TO SAME ADVANTAGE

84. The person entitled to a share by reason of the death lunacy, bankruptcy or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled as if he were registered holder of the shares except that he shall not before being registered as a member in respect of the share, be entitled in respect of it, to exercise any right conferred by membership in relation to the meeting of the Company provided that the Board may at any time give notice requiring any such persons to elect either to be registered himself or to transfer shares and if the notice is not complied within sixty days the Board shall thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the share until the requirements of the notice have been compelled with.

TRANSMISSION OF SHARE

85. Subject to the provisions of the Act and these Articles, any person becoming entitled to a share in consequence of the death, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence as the Board think sufficient, either be registered himself as the holder of the share or elect to have some person nominated by him and approved by the Board registered as such holder, provided nevertheless that if such person shall elect to have his nominee registered, he shall testify the election by executing to his nominee an instrument of transfer of the share in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of the share.

BOARD MAY REFUSE TO TRANSMIT

86. The Board shall have the same right to refuse on legal grounds to register a person entitled by transmission to any share or his nominee, as if he were the transferee named in any ordinary transfer presented for registration.

BOARD MAY REQUIRE EVIDENCE OF TRANSMISSION

87. Every transmission of share shall be verified in such manner as the Board may require and if the Board so desires, be accompanied by such evidence as may be thought necessary and the Company may refuse to register any such transmission until the same be verified on requisite evidence produced or until or unless an indemnity be given to the Company with regard to such registration which the Board at its absolute discretion shall consider sufficient, provided nevertheless, that there shall not be any obligation on the Company or the Board to accept any indemnity.

TRANSFER BY LEGAL REPRESENTATION

88. A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of instrument of transfer.

CERTIFICATE OF TRANSFER

89. The Certification by the Company of any instrument of transfer of shares in or debentures of the Company, shall be taken as a representation by the Company to any person acting on the faith of the certification that there have been produced to the Company such documents as on the face of them show a prime facie title to the shares or debentures in the transferor named in the instrument of transfer, but not as a representation that the transferor has any title to the shares or debentures

THE COMPANY NOT LIABLE FOR DISREGARD OF A NOTICE PROHIBITING REGISTRATION OF TRANSFER

90. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer or transmission of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the Register of Members to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer any may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some books of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

NOMINATION

91. (i) Every shareholder or debenture holder of the Company, may at any time, nominate a person to whom his shares or debentures shall vest in the event of his death in such manner as may be determined by central government under the Act.
- (ii) Where the shares or debentures of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the shares or debentures, as the case may be shall vest in the event of death of all the joint holders in such manner as may be determined by central government under the act.
- (iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the shares or debentures, the nominee shall, on the death of the shareholders or debenture holder or, as the case may be on the death of the joint holders become entitled to all the rights in such shares or debentures or, as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be determined by central government under the Act.

(iv) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint any person to become entitled to shares in, or debentures of, the Company in the manner prescribed under the Act, in the event of his death, during the minority.

“Option of Nominee”

92. (i) A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either- (a) to register himself as holder of the share or debenture, as the case may be; (b) or to make such transfer of the shares and/or debentures, as the deceased shareholder or debenture holder, as the case may be, could have made.

If the nominee elects to be registered as holder of the shares or debentures, himself, as the case may be, he shall deliver or send to the Company, notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased shareholder or debenture holder, as the case may be.

(ii) A nominee shall be entitled to the share dividend/interest and other advantages to which he would be entitled if he were the registered holder of the shares or debentures, provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to the meeting of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or debentures, and if the notice is not complied within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the shares or debentures, until the requirements of the notice have been complied with.

TRUST NOT RECOGNISED

93. Save as herein otherwise provided, the Company shall be entitled to treat the person whose names appears on the Register of Members/Debentures as the holder of any Shares/Debentures in the records of the Company and/or in the records of the Depository as the absolute owner thereof and accordingly shall not (except as may be ordered by a Court of competent jurisdiction or as may be required by law) be bound to recognize any benami trust or equitable, contingent, future or other claim or interest or partial interest in any such shares/debentures on the part of any other person or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto on the part of any other person whether or not it shall have express or implied notice thereof, but the Board shall be at liberty and at its sole discretion decided to register any share/debenture in the joint names of any two or more persons or the survivor or survivors of them.

TRANSFER OF SECURITIES

94. Nothing contained in Section 56(1) of the Act or these Articles shall apply to a transfer of securities affected by a transferor and transferee both of whom are entered as beneficial owners in the records of depository.

NOTICE OF APPLICATION WHEN TO BE GIVEN

95. Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.

REFUSAL TO REGISTER NOMINEE

96. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration.

PERSON ENTITLED MAY RECEIVE DIVIDEND WITHOUT BEING REGISTERED AS A MEMBER

97. A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.

BOARD MAY REFUSE TRANSFER TO MORE THAN THREE PERSONS

98. Subject to the provisions of the Act, the Board may refuse to transfer a share or shares in the joint names of more than three persons.

JOINT HOLDERS

99. If any share stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and/or any other matter connected with the Company, except voting at meeting and the transfer of the share, be deemed the sole holder thereof, but the joint holders of a share be severally as well as jointly, liable for the payment of all installments and calls due in respect of such share and for all incidents thereof subject to the following and other provisions contained in these articles;

JOINT AND SEVERAL LIABILITIES FOR ALL PAYMENTS IN RESPECT OF SHARES

- a) The joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.

TITLE OF SURVIVORS

- b) On the death of any such joint holder, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

EFFECTUAL RECEIPTS

- c) Any one of several persons who is registered as joint holder of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such share.

DELIVERY OF CERTIFICATE AND GIVING OF NOTICE TO FIRST NAMED HOLDER

- d) Only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificates relating to such share or to receive documents (which expression shall be deemed to include all documents referred to in Article 29 from the Company and document served on or sent to such person shall be deemed service on all the joint holders).

VOTES OF JOINT HOLDERS

- e) Any one or two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney than that one or such persons so present whose name stands first or higher (as the case may be) on the Register of Members in respect of such shares shall alone be entitled to vote in respect thereof but the others of the joint holders shall be entitled to be present at the meeting; provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to a joint holder present by attorney or by proxy although the name of such joint holder present by an attorney or by proxy although the name of such joint holder present by an attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares. Several executors or administrators of a deceased members in whose (deceased member's) sole name any shares stand shall for the purpose of this Article, be deemed joint holders.

CONVERSION OF SHARES INTO STOCK

SHARES MAY BE CONVERTED INTO STOCK

100. The Board may, pursuant to section 61 with the sanction of a General Meeting, convert any paid up share into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth, transfer their respective interests therein or any part of such interest in the same manner as and subject to the same regulations, under which fully paid up share in the capital of the Company may be transferred or as near thereto as circumstances will admit, but the Board may, from time to time if it thinks fit, fix the minimum amount of stock transferable and direct that fractions of a rupee shall not be dealt with, power nevertheless at their discretion to waive such rules in any particular case.

RIGHTS OF STOCK-HOLDERS

101. The stock shall confer on the holders thereof respectively the same rights, privileges and advantages as regards participation in the profits and voting at meetings of the Company and for other purposes as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which such stock was converted, but so that none of such privileges or advantages except participation in the profits of the Company or in the assets of the Company on a winding up, shall be conferred by any such equivalent part of consolidated stock as would not, if existing in shares have conferred such privileges or advantages. No such conversion shall effect or prejudice any preference or other special privileges attached to the shares so converted. Save as aforesaid, all the provisions herein contained shall, so far as circumstances will admit, apply to stock as well as to shares. The Company may at any time reconvert any such stock into fully paid up shares of any denomination.

MEETING OF MEMBERS

102. (a) Subject to Section 96 of the Act, the Company shall in each year hold, in addition to any other meetings, a General Meeting as its Annual General Meeting and shall specify the meeting as such in the notices calling it and not more than fifteen months shall elapse between the date of the Annual General Meeting of the Company and that of the next, provided also that the Register may, for any special reason, extend the time within which any annual general meeting shall be held by a period not exceeding three months.
- (b) Every Annual General Meeting shall be called for at a time during business hours that is between 9 a.m. and 6 p.m. on any day that is not a national holiday and shall be held either at the Registered Office of the Company or at some other place within the city or town or village in which the Registered Office of the Company is situated.
103. The Company shall in accordance with Section 92 of the Act, within 60 days from the day on which the Annual General Meeting is held, prepare and file with the Registrar an annual return together with the copy of the financial statements, including consolidated financial statement, if any, along with all the documents which are required to be or attached to such financial statements under this act, duly adopted at the Annual General Meeting of the company. A copy of the financial statements adopted at the Annual General Meeting shall be filed within 30 days of the annual general meeting in accordance with Section 137 of the Act.

DISTINCTION BETWEEN ANNUAL GENERAL MEETING AND EXTRA-ORDINARY GENERAL MEETING

104. The General Meeting referred to in Article 99 shall be called and styled as an Annual General Meeting and all meetings other than the Annual General Meeting shall be called Extra-ordinary General Meetings.

CALLING OF EXTRA-ORDINARY GENERAL MEETING

105. (1) The Board may, whenever it deems fit, call an extraordinary general meeting of the company.

- (2) The Board shall, at the requisition made by such number of members who hold, on the date of the receipt of the requisition, not less than one-tenth of such of the paid-up share capital of the company as on that date carries the right of voting power of all the members having on the said date a right to vote, call an extraordinary general meeting of the company within the period specified in clause (4).
- (3) The requisition made under clause (2) shall set out the matters for the consideration of which the meeting is to be called and shall be signed by the requisitionists and sent to the registered office of the company.
- (4) If the Board does not, within twenty-one days from the date of receipt of a valid requisition in regard to any matter, proceed to call a meeting for the consideration of that matter on a day not later than forty-five days from the date of receipt of such requisition, the meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition.
- (5) A meeting under clause (4) by the requisitionists shall be called and held in the same manner in which the meeting is called and held by the Board.
- (6) Any reasonable expenses incurred by the requisitionists in calling a meeting under clause (4) shall be reimbursed to the requisitionists by the company and the sums so paid shall be deducted from any fee or other remuneration under section 197 payable to such of the directors who were in default in calling the meeting.

LENGTH OF NOTICE FOR CALLING MEETING

106. (1) A general meeting of a company may be called by giving not less than clear twenty-one days' notice either in writing or through electronic mode in such manner as may be determined by central government:

Provided that a general meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than ninety-five per cent. of the members entitled to vote at such meeting.

- (2) Every notice of a meeting shall specify the place, date, day and the hour of the meeting and shall contain a statement of the business to be transacted at such meeting.
- (3) The notice of every meeting of the company shall be given to –
 - (a) every member of the company, legal representative of any deceased member or the assignee of an insolvent member;
 - (b) the auditor or auditors of the company; and
 - (c) every director of the company.
- (4) Any accidental omission to give notice to, or the non-receipt of such notice by, any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.

EXPLANATORY STATEMENT TO BE ANNEXED TO NOTICE / SPECIAL BUSINESS

107. (1) Pursuant to section 102 a statement setting out the following material facts concerning each item of special business to be transacted at a general meeting, shall be annexed to the notice calling such meeting, namely: -

- (a) the nature of concern or interest, financial or otherwise, if any, in respect of each items of—
 - (i) every director and the manager, if any;

- (ii) every other key managerial personnel; and
 - (iii) relatives of the persons mentioned in sub-clauses (i) and (ii);
- (b) any other information and facts that may enable members to understand the meaning, scope and implications of the items of business and to take decision thereon.
- (2) For the purposes of clause (1)—
 - (a) in the case of an annual general meeting, all business to be transacted thereat shall be deemed special, other than—
 - (i) the consideration of financial statements and the reports of the Board of Directors and auditors;
 - (ii) the declaration of any dividend;
 - (iii) the appointment of directors in place of those retiring;
 - (iv) the appointment of, and the fixing of the remuneration of, the auditors; And
 - (b) in the case of any other meeting, all business shall be deemed to be special:

Provided that where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two per cent. of the paid-up share capital of that company, also be set out in the statement.
- (3) Where any item of business refers to any document, which is to be considered at the meeting, the time and place where such document can be inspected shall be specified in the statement under sub- clause (1).

108. No General Meeting, Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been specifically mentioned in the notice or notices upon which it is convened.

QUORUM

109. (1) The quorum for a General Meeting of the Company shall be as under:

- (i) five members personally present if the number of members as on the date of meeting is not more than one thousand; or
 - (ii) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand; or
 - (iii) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand; shall be the quorum for a meeting of the company.
- (2) If the quorum is not present within half-an-hour from the time appointed for holding a meeting of the company –
 - (a) the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other date and such other time and place as the Board may determine; or
 - (b) the meeting, if called by requisitionists under section 100, shall stand cancelled: Provided that in case of an adjourned meeting or of a change of day, time or place of meeting under clause (a), the company shall give not less than three days notice to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the

company is situated.

- (3) If at the adjourned meeting also, a quorum is not present within half-an-hour from the time appointed for holding meeting, the members present shall be the quorum.

RESOLUTION PASSED AT ADJOURNED MEETING

110. Where a resolution is passed at an adjourned meeting of –

- (a) a company; or
- (b) the holders of any class of shares in a company; or
- (c) the Board of Directors of a company,

the resolution shall, for all purposes, be treated as having been passed on the date on which it was in fact passed, and shall not be deemed to have been passed on any earlier date.

REGISTRATION OF RESOLUTIONS AND AGREEMENTS

111. The Company shall comply with the provisions of Section 117 of the Act relating to registration of certain resolutions and agreements.

POWER OF ADJOURN GENERAL MEETING

112. (1) The Chairman of the General Meeting at which a quorum is present, and shall if so directed by the meeting, may adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(2) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(3) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned meeting.

CHAIRMAN OF GENERAL MEETING

113. The Chairman of the Board shall, if willing, preside as Chairman at every General Meeting, Annual or Extra-ordinary, if there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or being present declined to take the Chair, the Directors present may choose one of their members to be Chairman and in default of their doing so, the members present shall choose one of the Directors to be Chairman and if no Director present be willing to take the Chair, members shall, on a show of hands elect one of their numbers to be Chairman, of the meeting, if a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and these Articles and the Chairman elected on a show of hands shall exercise all the powers of the Chairman under the said provisions. If some other person is elected chairman as a result of the poll, he shall be the Chairman for the rest of the meeting.

BUSINESS CONFINED TO ELECTION OF CHAIRMAN WHILE CHAIR VACANT

114. No business shall be discussed at any General Meeting except the election of a Chairman while the chair is vacant.

RESOLUTION MUST BE PROPOSED AND SECONDED

115. No resolution submitted to a meeting, unless proposed by the Chairman of the meeting shall be discussed nor put to vote until the same has been proposed by a member present and entitled to vote at such meeting and seconded by another member present and entitled to vote at such meeting.

POSTAL BALLOT

116. (1) Notwithstanding anything contained in this Act, the company –

- (a) shall, in respect of such items of business as the Central Government may, by notification, declare to be transacted only by means of postal ballot; and
- (b) may, in respect of any item of business, other than ordinary business and any business in respect of which directors or auditors have a right to be heard at any meeting, transact by means of postal ballot, in such manner as may be determined by Central Government, instead of transacting such business at a general meeting.

(2) If a resolution is assented to by the requisite majority of the shareholders by means of postal ballot, it shall be deemed to have been duly passed at a general meeting convened in that behalf.

DECLARATION OF CHAIRMAN TO BE CONCLUSIVE

117. A declaration by the Chairman that a resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number of proportion of the votes cast in favour of or against such resolution

CIRCULATION OF MEMBERS' RESOLUTION

118. (1) A company shall, on requisition in writing of such number of members, as required in section 100—

- (a) give notice to members of any resolution which may properly be moved and is intended to be moved at a meeting; and
 - (b) circulate to members any statement with respect to the matters referred to in proposed resolution or business to be dealt with at that meeting.
- (2) A company shall not be bound under this section to give notice of any resolution or to circulate any statement unless –
- (a) a copy of the requisition signed by the requisitionists (or two or more copies which, between them, contain the signatures of all the requisitionists) is deposited at the registered office of the company—
 - (i) in the case of a requisition requiring notice of a resolution, not less than six weeks before the meeting;
 - (ii) in the case of any other requisition, not less than two weeks before the meeting; and
 - (b) there is deposited or tendered with the requisition, a sum reasonably sufficient to meet the company's expenses in giving effect thereto:

Provided that if, after a copy of a requisition requiring notice of a resolution has been deposited at the registered office of the company, an annual general meeting is called on a date within six weeks after the copy has been deposited, the copy, although not deposited within the time required by this sub-section, shall be deemed to have been properly deposited for the purposes thereof.

- (3) The company shall not be bound to circulate any statement as required by clause (b) of sub-section (1), if on the application either of the company or of any other person who claims to be aggrieved, the Central Government, by order, declares that the rights conferred by this section are being abused to secure needless publicity for defamatory matter.
- (4) An order made under sub-section (3) may also direct that the cost incurred by the company by virtue of this section shall be paid to the company by the requisitionists, notwithstanding that

they are not parties to the application.

VOTES OF MEMBERS

VOTES MAY BE GIVEN BY PROXY OR ATTORNEY

119. Subject to the provisions of the Act and these Articles, votes may be given either personally or by an attorney or by proxy or in the case of a body corporate, also by a representative duly authorised under section 113 of the Act.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights

Provided that a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

VOTES OF MEMBERS

120. (1) Subject to the provisions of section 43 and sub-section (2) of section 50, -

- (a) every member of a company limited by shares and holding equity share capital therein, shall have a right to vote on every resolution placed before the company; and
- (b) his voting right on a poll shall be in proportion to his share in the paid-up equity share capital of the company.

(2) Every member of a company limited by shares and holding any preference share capital therein shall, in respect of such capital, have a right to vote only on resolutions placed before the company which directly affect the rights attached to his preference shares and, any resolution for the winding up of the company or for the repayment or reduction of its equity or preference share capital and his voting right on a poll shall be in proportion to his share in the paid-up preference share capital of the company:

Provided that the proportion of the voting rights of equity shareholders to the voting rights of the preference shareholders shall be in the same proportion as the paid-up capital in respect of the equity shares bears to the paid-up capital in respect of the preference shares:

Provided further that where the dividend in respect of a class of preference shares has not been paid for a period of two years or more, such class of preference shareholders shall have a right to vote on all the resolutions placed before the company.

RIGHT OF MEMBER TO USE HIS VOTES DIFFERENTLY

121. On a poll being taken at meeting of the Company, a member entitled to more than one vote or his proxy or other person entitled to vote for him as the case may be need not, if he votes, use all his votes or cast in the same way all the votes he uses.

REPRESENTATION OF BODY CORPORATE

122. Pursuant to section 113 a body corporate whether a Company within meaning of the Act or not may, if it is a member or creditor of the Company including being a holder of debentures, may authorize such person by a resolution of its Board of Directors, as it thinks fit, to act as its representative at any meeting of members and creditors of the Company.

REPRESENTATION OF THE PRESIDENT OF INDIA OR GOVERNORS

123. The President of India or the Governor of State if he is a member of the Company may appoint such person as he thinks fit to act, as his representative at any meeting of the Company or at any meeting of any class of members of the Company in accordance with provisions of Section 112 of

the Act or any other statutory provision governing the same.

A person appointed to act as aforesaid shall for the purposes of the Act be deemed to be a member of such a Company and shall be entitled to exercise the same rights and powers (including the right to vote by proxy) as the Governor could exercise, as member of the Company.

RESTRICTION ON EXERCISE OF VOTING RIGHT BY MEMBERS WHO HAVE NOT PAID CALLS

124. No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and/or has exercised its right of lien.

RESTRICTION ON EXERCISE OF VOTING RIGHT IN OTHER CASES TO BE VOID

125. A member is not prohibited from exercising his voting right on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in Article.

HOW MEMBER NON-COMPOS MENTIS MAY VOTE

126. If any member be a lunatic or non-compos mentis, the vote in respect of his share or shares shall be his committee or other legal guardian provided that such evidence of the authority of the person claimed to vote as shall be acceptable by the Board shall have been deposited at the office of the Company not less than forty eight hours before the time of holding a meeting.

INSTRUMENT OF PROXY

127. The instrument appointing a proxy shall be in writing and signed by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate be under its seal or be signed by an officer or attorney duly authorized by it.

INSTRUMENT OF PROXY TO BE DEPOSITED AT OFFICE

128. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a not a certified copy of that power of attorney or authority shall be deposited at the registered office of the Company not less than forty eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid. No instrument of proxy shall be valid after the expiration of twelve months from the date of its execution.

WHEN VOTE BY PROXY VALID THOUGH AUTHORITY REVOKED

129. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the share in respect of which the vote is given. Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjournment meeting at which the proxy is used.

FORM OF PROXY

130. Every instrument of proxy, whether for specified meeting or otherwise shall, as nearly as circumstances will admit, be in the form Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014.

TIME FOR OBJECTION TO VOTE

131. No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be so tendered and every vote whether given personally or by proxy and not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

CHAIRMAN OF ANY MEETING TO BE THE JUDGE OF VALIDITY OF ANYVOTE

132. The Chairman of any meeting shall be sole judge of the validity of every vote tendered at such meeting. The Chairman present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

MEMBER PAYING MONEY IN ADVANCE NOT BE ENTITLED TO VOTE IN RESPECT THEREOF

133. A Member paying the whole or a part of the amount remaining unpaid on any Share held by him although no part of that amount has been called up, shall not be entitled to any voting rights or participate in dividend or profits in respect of moneys so paid by him until the same would but for such payment become presently payable

DIRECTORS

134. 1) Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors shall not be less than three nor more than fifteen.

2) As on the date of adoption of this Articles of Association, following are the directors of the company:

1. VIJAY CHINUBHAI SHAH
2. ALPABEN VIJAYKUMAR SHAH
3. NIRAVBHAI ARVINDBHAI SHAH

BOARD OF DIRECTORS

135. The following shall be the First Directors of the Company.

1. VIJAY CHINUBHAI SHAH
2. ALPABEN VIJAYKUMAR SHAH

INCREASE IN NUMBER OF DIRECTORS TO REQUIRE GOVERNMENT SANCTION

136. The appointment of the Directors exceeding 15 (fifteen) will be subject to the provisions of Section 149 of the Act.

POWER OF DIRECTORS TO APPOINT ADDITIONAL DIRECTORS

137. The Board of Directors shall have the power to appoint any person, other than a person who fails to get appointed as a director in a general meeting, as an additional director at any time who shall hold office up to the date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier.

ALTERNATE DIRECTORS

138. The Board of Directors shall have the power to appoint a person, not being a person holding any alternate directorship for any other director in the company, to act as an alternate director for a director during his absence for a period of not less than three months from India:

Provided that no person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of this Act:

Provided further that an alternate director shall not hold office for a period longer than that permissible to the director in whose place he has been appointed and shall vacate the office if and when the director in whose place he has been appointed returns to India:

Provided also that if the term of office of the original director is determined before he so returns to India, any provision for the automatic re-appointment of retiring directors in default of another appointment shall apply to the original, and not to the alternate director.

NOMINEE DIRECTORS

139. The Board shall have the power to appoint any person as a director nominated by any institution in Pursuance of the provisions of any law for the time being in force or of any agreement or by the Central Government or the State Government by virtue of its shareholding in a Government company.

If the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, in default of and subject to any regulations in the articles of the company, be filled by the Board of Directors at a meeting of the Board:

Provided that any person so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated.

140. A Director need not hold any qualification shares.

REMUNERATION OF DIRECTORS

141. (1) Subject to the provisions of the Act, a Managing Director or any other Director, who is in the Whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

(2) Subject to the provisions of the Act, a Director who is neither in the Whole-time employment not a Managing Director may be paid remuneration.

(i) by way of monthly, quarterly or annual payment with the approval of the Central Government: or

(ii) by way of commission if the Company by a special resolution authorizes such payments.

(3) The fees payable to Director (including a Managing or whole-time Director, if any) for attending a meeting of the Board or Committee shall be decided by the Board of Directors from time to time, however the amount thereof shall not exceed limit provided in the Companies Act, 2013 and rules, if any, framed there under.

(4) if any Director be called upon to perform extra services or special exertion or efforts (which expression shall include work done by a Director as member of any committee formed by the Directors), the Board may arrange with such Directors for such special remuneration for such extra services or special exertions or either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided subject to the provision of Section 197(4) of the Act.

INCREASE IN REMUNERATION OF DIRECTORS TO REQUIRE GOVERNMENT SANCTION

142. Any provision relating to the remuneration of any Director including the Managing Director or Joint Managing Director or whole time Director or executive Director whether contained in his original appointment or which purports to increase or has the effect of increasing whether directly or indirectly the amount of such remuneration and whether that provisions are contained in the articles or in any agreement entered into by the Board of Directors shall be subject to the provisions of Section 196, 197 and 203 of the Act and in accordance with the conditions specified in Schedule V and to the extent to which such appointment or any provisions for remuneration thereof is not in accordance with the Schedule V, the same shall not have any effect unless approved by the Central Government and shall be effective for such period and be subject to such conditions as may be stipulated by the Central Government and to the extent to which the same is not approved by the Central Government, the same shall become void and not enforceable against the Company.

**TRAVELLING EXPENSES INCURRED BY A DIRECTOR NOT A BONAFIDE RESIDENT OR BY DIRECTOR
GOING OUT ON COMPANY'S BUSINESS**

143. The Board may allow and pay to any Director who is not a bonafide resident of the place where the meetings of the Board or committee thereof are ordinarily held and who shall come to a such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation or for traveling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses, incurred in connection with business of the Company.

DIRECTORS MAY ACT NOTWITHSTANDING ANY VACANCY

144. The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as the number is reduced below the quorum fixed by the Act or by these Articles for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum or for summoning a General Meeting of the Company but for no other purpose.

DISCLOSURE OF INTEREST OF DIRECTORS

145. (1) Every director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding, in such manner as may be determined by central government.

(2) Every director of a company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into—

- (a) with a body corporate in which such director or such director in association with any other director, holds more than two per cent. shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or
- (b) with a firm or other entity in which, such director is a partner, owner or member, as the case may be, shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting:

Provided that where any director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.

- (3) A contract or arrangement entered into by the company without disclosure under sub-section (2) or with participation by a director who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the company.

(4) Nothing in this Article-

- (a) shall be taken to prejudice the operation of any rule of law restricting a director of a company from having any concern or interest in any contract or arrangement with the company;
- (b) (b)shall apply to any contract or arrangement entered into or to be entered into between two companies where any of the directors of the one company or two or more

of them together holds or hold not more than two per cent. of the paid-up share capital in the other company.

INTERESTED DIRECTOR NOT TO PARTICIPATE OR VOTE ON BOARD'S PROCEEDINGS

146. No Director of the Company shall, as Director, take any part in the discussion of or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company if he is in any way whether directly or indirectly, concerned or interested in the contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote his vote shall be void, provided however that Directors may vote on any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or surety for the Company.

BOARD'S SANCTION TO BE REQUIRED FOR CERTAIN CONTRACTS IN WHICH PARTICULAR DIRECTOR IS INTERESTED

147. (1) Except with the consent of the Board of Directors of the Company and of the Shareholders where applicable, the Company, shall not enter into any contract with a Related Party in contravention of Section 188 of the Act and the Rules made thereunder—

- (i) for the sale, purchase or supply of any goods, materials or services; or
- (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;
- (vii) underwriting the subscription of any securities or derivatives thereof, of the Company;

(2) Nothing contained in clause (1) shall affect any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis.

(3) Notwithstanding anything contained in clauses (1) and (2) a Related Party may, in circumstances of urgent necessity enter, without obtaining the consent of the Board, into any contract with the Company; but in such a case the consent of the Board shall be obtained at a meeting within three months of the date of which the contract was entered into or such other period as may be prescribed under the Act. (S.188 (3))

(4) Every consent of the Board required under this Article shall be accorded by a resolution of the Board and the consent required under Clause (1) shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into or such other period as may be prescribed under the Act.

(5) If the consent is not accorded to any contract under this Article anything done in pursuance of the contract will be voidable at the option of the Board.

SPECIAL DIRECTOR

148. In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the directors may authorize such company, corporation, firm or person herein-after in this clause referred to as "collaborator" to appoint from time to time any person as director of the company (hereinafter referred to as "special director") and may agree that such special director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for office of such

director, so however that such special director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangements or at any time thereafter.

The collaborators may at any time and from time to time remove any such special director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as special director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.

It is clarified that every collaborator entitled to appoint a director under this article may appoint one such person as a director and so that if more than one collaborator is so entitled there may be at any time as many special directors as the collaborators eligible to make the appointment.

DIRECTORS' SITTING FEES

149. The fees payable to a Director for attending each Board meeting shall be such Sum as may be fixed by the Board of Directors not exceeding such as may be determined by central government by the Central Government for each of the meetings of the Board or a committee thereof and adjournments thereto attended by him. The directors, Subject to the sanction of the Central Government (if any required) may be paid such higher fees as the Company in General Meeting shall from time to time determine.

DIRECTORS AND MANAGING DIRECTOR MAY CONTRACT WITH COMPANY

150. Subject to the provisions of the Act the Directors (including a Managing Director And whole time Director) shall not be disqualified by reason of his or their office as such from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or Otherwise, nor shall any such contract or any contracts or arrangement entered into by or on behalf of the Company with any Director or with any company or Partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such director holding that office or of the fiduciary relation thereby established, but it is declared that the nature of his interest shall be disclosed as Provided by Section 188 of the Act and in this respect all the provisions of Section 179, 180, 184, 185, 186, 188, 189 and 196 of the Act shall be duly observed and complied with.

DISQUALIFICATION OF THE DIRECTOR

151. (1) A person shall not be eligible for appointment as a director of a company, if

- (a) he is of unsound mind and stands so declared by a competent court;
- (b) he is an undischarged insolvent;
- (c) he has applied to be adjudicated as an insolvent and his application is pending;
- (d) he has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;

- (e) an order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force;
- (f) he has not paid any calls in respect of any shares of the company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the

payment of the call;

(g) he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or

(h) he has not complied with sub-section (3) of section 152.

(2) No person who is or has been a director of a company which -

(a) has not filed financial statements or annual returns for any continuous period of three financial years; or

(b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more shall be eligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so.

DIRECTORS VACATING OFFICE

152. The office of a Director shall be vacated if :

(i) he is found to be of unsound mind by a Court of competent jurisdiction;

(ii) he applied to be adjudicated an insolvent;

(iii) he is adjudicated an insolvent;

(iv) he is convicted by a Court, of any offence involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the expiry of the sentence; Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;

(v) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government by Notification in the Official Gazette removes the disqualification incurred by such failure;

(vi) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;

(vii) he is removed in pursuance of Section 169 of Act;

(viii) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;

(ix) he acts in contravention of the provisions of Section 184 of the Act relating to entering into contracts or arrangements in which he is directly or indirectly interested;

(x) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184.

DIRECTOR MAY BE DIRECTOR OF COMPANIES PROMOTED BY THE COMPANY

153. Subject to provisions of Section 203 of the Act, a Director may be or become a director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or Shareholder of such company except in so far Section 197 or Section 188 of the Act may be applicable.

RETIREMENT AND ROTATION OF DIRECTORS

RETIREMENT OF DIRECTORS BY ROTATION

154. (1) (a) At every Annual General Meeting, not less than two-thirds of the total number of directors of a company shall -

- (i) be persons whose period of office is liable to determination by retirement of directors by rotation; and
- (ii) save as otherwise expressly provided in this Act, be appointed by the company in general meeting.

(b) The remaining directors in the case of any such company shall, in default of, and subject to any regulations in the articles of the company, also be appointed by the company in general meeting.

(c) At the first annual general meeting of a public company held next after the date of the general meeting at which the first directors are appointed in accordance with clauses (a) and (b) and at every subsequent annual general meeting, one-third of such of the directors for the time being as are liable to retire by rotation, or if their number is neither three nor a multiple of three, then, the number nearest to one-third, shall retire from office.

(d) The directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who became directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.

(e) At the annual general meeting at which a director retires as aforesaid, the company may fill up the vacancy by appointing the retiring director or some other person thereto.

(2) (a) If the vacancy of the retiring director is not so filled-up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a holiday, at the same time and place.

(b) If at the adjourned meeting also, the vacancy of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring director shall be deemed to have been re-appointed at the adjourned meeting, unless—

1. at that meeting or at the previous meeting a resolution for the re-appointment of such director has been put to the meeting and lost;
2. the retiring director has, by a notice in writing addressed to the company or its Board of directors, expressed his unwillingness to be so re-appointed;
3. he is not qualified or is disqualified for appointment;
4. a resolution, whether special or ordinary, is required for his appointment or re-appointment by virtue of any provisions of this Act; or
5. section 162 is applicable to the case.

APPOINTMENT OF DIRECTOR TO BE VOTE INDIVIDUALLY

155. (1) At a general meeting of a company, a motion for the appointment of two or more persons as directors of the company by a single resolution shall not be moved unless a proposal to move such a motion has first been agreed to at the meeting without any vote being cast against it.

(2) A resolution moved in contravention of sub-section (1) shall be void, whether or not any objection was taken when it was moved.

(3) A motion for approving a person for appointment, or for nominating a person for appointment as a director, shall be treated as a motion for his appointment.

156. (1) A person who is not a retiring director in terms of section 152 shall, subject to the provisions of this Act, be eligible for appointment to the office of a director at any general meeting, if he, or some member intending to propose him as a director, has, not less than fourteen days before the meeting, left at the registered office of the company, a notice in writing under his hand signifying his candidature as a director or, as the case may be, the intention of such member to propose him as a candidate for that office, along with the deposit of one lakh rupees or such higher amount as may be determined by central government which shall be refunded to such person or, as the case may be, to the member, if the person proposed get selected as a director or gets more than twenty-five per cent. of total valid votes cast either on show of hands or on poll on such resolution.

(2) The company shall inform its members of the candidature of a person for the office of director under sub-section (1) in such manner as may be determined by central government.

RESIGNATION OF DIRECTOR

157. (1) A director may resign from his office by giving a notice in writing to the company and the Board shall on receipt of such notice take note of the same and the company shall intimate the Registrar in such manner, within such time and in such form as may be determined by central government and shall also place the fact of such resignation in the report of directors laid in the immediately following general meeting by the company:

Provided that a director shall also forward a copy of his resignation along with detailed reasons for the resignation to the Registrar within thirty days of resignation in such manner as may be determined by central government.

(2) The resignation of a director shall take effect from the date on which the notice is received by the company or the date, if any, specified by the director in the notice, whichever is later:

Provided that the director who has resigned shall be liable even after his resignation for the offences which occurred during his tenure.

(3) Where all the directors of a company resign from their offices, or vacate their offices under Section 167 of the Act, the promoter or, in his absence, the Central Government shall appoint the required number of directors who shall hold office till the directors are appointed by the company in general meeting.

REGISTER OF DIRECTORS AND KEY MANAGERIAL PERSONNEL AND NOTIFICATION OF CHANGES TO REGISTRAR

158. The Company shall keep at its registered office, a Register of Director, Managing Director, Manager and Secretary and key managerial personnel of the Company containing the particulars as required by Section 170 of the Act and shall send to the Registrar a return in the prescribed form containing the particulars specified in the said register and shall notify to the Registrar any change among its Directors, Managing Directors, Manager, Secretary and key managerial personnel or any of the particulars contained in the register as required by Section 170 of the Act.

APPOINTMENT OF TECHNICAL OR EXECUTIVE DIRECTORS

159. a) The Board of Directors shall have the right from time to time to appoint any person or persons as Technical Director or Executive Director/s and remove any such persons from time to time without assigning any reason whatsoever. A Technical Director or Executive Director shall not be required to hold any qualification shares and shall not be entitled to vote at any meeting of the Board of Directors.

b) Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the

resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.

REMOVAL OF DIRECTORS

160. (1) A company may, by ordinary resolution, remove a director, not being a director appointed by the Tribunal under section 242, before the expiry of the period of his office after giving him a reasonable opportunity of being heard:

Provided that nothing contained in this sub-section shall apply where the company has availed itself of the option given to it under section 163 to appoint not less than two thirds of the total number of directors according to the principle of proportional representation.

(2) A special notice shall be required of any resolution, to remove a director under this section, or to appoint somebody in place of a director so removed, at the meeting at which he is removed.

(3) On receipt of notice of a resolution to remove a director under this section, the company shall forthwith send a copy thereof to the director concerned, and the director, whether or not he is a member of the company, shall be entitled to be heard on the resolution at the meeting.

(4) Where notice has been given of a resolution to remove a director under this section and the director concerned makes with respect thereto representation in writing to the company and requests its notification to members of the company, the company shall, if the time permits it to do so,—

(a) in any notice of the resolution given to members of the company, state the fact of the representation having been made; and

(b) send a copy of the representation to every member of the company to whom notice of the meeting is sent (whether before or after receipt of the representation by the company), and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:

Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.

(5) A vacancy created by the removal of a director under this section may, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given under sub-section (2).

(6) A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.

(7) If the vacancy is not filled under sub-section (5), it may be filled as a casual vacancy in accordance with the provisions of this Act:

Provided that the director who was removed from office shall not be re-appointed as a director by the Board of Directors.

(8) Nothing in this section shall be taken -

(a) as depriving a person removed under this section of any compensation or damages

payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or

(b) as derogating from any power to remove a director under other provisions of this Act.

ELIGIBILITY FOR RE-ELECTION

161. A retiring Director shall be eligible for re-election.

PROCEEDINGS OF DIRECTORS

MEETINGS OF BOARD

162. (1) A minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board:

Provided that the Central Government may, by notification, direct that the provisions of this sub-section shall not apply in relation to any class or description of companies or shall apply subject to such exceptions, modifications or conditions as may be specified in the notification.

(2) The participation of directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be determined by central government, which are capable of recording and recognising the participation of the directors and of recording and storing the proceedings of such meetings along with date and time:

Provided that the Central Government may, by notification, specify such matters which shall not be dealt with in a meeting through video conferencing or other audio visual means.

(3) A meeting of the Board shall be called by giving not less than seven days' notice in writing to every director at his address registered with the company and such notice shall be sent by hand delivery or by post or by electronic means:

Provided that a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting:

Provided further that in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any.

QUORUM

163. (1) The quorum for a meeting of the Board of Directors of a company shall be one third of its total strength or two directors, whichever is higher, and the participation of the directors by video conferencing or by other audio-visual means shall also be counted for the purposes of quorum under this sub-section.

(2) The continuing directors may act notwithstanding any vacancy in the Board; but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company and for no other purpose.

(3) Where at any time the number of interested directors exceeds or is equal to two thirds of the total strength of the Board of Directors, the number of directors who are not interested directors and present at the meeting, being not less than two, shall be the quorum during such time.

(4) Where a meeting of the Board could not be held for want of quorum, then, unless the articles of the company otherwise provide, the meeting shall automatically stand adjourned to the same

day at the same time and place in the next week or if that day is a national holiday till the next succeeding day, which is not a national holiday, at the same time and place.

DECISION OF QUESTIONS

164. Subject to the provisions of the Act, question arising at any meeting of the Board shall be decided by a majority of votes and in case of an equality of votes, the Chairman shall have a second or casting vote.

BOARD MAY APPOINT CHAIRMAN, CO-CHAIRMAN AND VICE CHAIRMAN

165. The Board may elect a Chairman, a Co-Chairman and a Vice Chairman of their Meetings and of the Company and determine the period for which he is to hold office. The Chairman or in his absence the Co-Chairman or the Vice Chairman shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary, or if there be no such Chairman or Co-Chairman or Vice Chairman of the Board of Directors, or if at any Meeting neither of these shall be present within fifteen minutes of the time appointed for holding such Meeting, the Directors present may choose one of their members to be the Chairman of the Meeting of their meetings and determine the period for which he is to hold office, but if no such Chairman is elected or if at any meeting the Chairman is not present within ten minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be the Chairman of the Meeting.

POWER OF BOARD MEETING

166. 166.A meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or the Articles are for the time being vested in or exercisable by the Board generally.
167. Subject to the restrictions contained in Section 179 of the Act, the Board may delegate any of its power to a Committee of the Board consisting of such member or members of its body or any other person as it thinks fit and it may from time to time revoke and discharge any such committee of the Board so formed, shall in the exercise of the power so delegated confirm to any regulations that may from time to time be imposed on it by the Board. All acts done by such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

MEETING OF THE COMMITTEE HOW TO BE GOVERNED

168. The meeting and proceedings of any such Committee of the Board consisting of two or more persons shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board, so far as the same are applicable thereto and are not superseded by any regulations made by the Board under the last preceding Article.

DEFECTS IN APPOINTMENT OF DIRECTORS NOT TO INVALIDATE ACTIONS TAKEN

169. No act done by a person as a director shall be deemed to be invalid notwithstanding that it was subsequently noticed that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provision contained in this Act or in the articles of the company:

Provided that nothing in this section shall be deemed to give validity to any act done by the director after his appointment has been noticed by the company to be invalid or to have terminated.

PASSING OF RESOLUTION BY CIRCULATION

170. (1) No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors, or members of the committee, as the case may be, at their addresses registered with the company in India by hand delivery or by post or by courier, or through such electronic means as may be determined by central government and has been

approved by a majority of the directors or members, who are entitled to vote on the resolution:

Provided that, where not less than one-third of the total number of directors of the company for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

(2) A resolution under sub-section (1) above shall be noted at a subsequent meeting of the Board or the committee thereof, as the case may be, and made part of the minutes of such meeting.

SPECIAL NOTICE

171. Where by any provision contained in the Act or in these Articles special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company by such number of members holding not less than one per cent. of total voting power or holding shares on which such aggregate sum not exceeding five lakh rupees, as may be prescribed, has been paid-up, not less than fourteen days before the meeting at which it is to be moved exclusive of the day on which the notice is served or deemed to be served and the day of the meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the meeting.

GENERAL POWERS OF THE BOARD

172. (1) The Board of Directors of a company shall be entitled to exercise all such powers, and to do all such acts and things, as the company is authorized to exercise and do:

Provided that in exercising such power or doing such act or thing, the Board shall be subject to the provisions contained in that behalf in this Act, or in the memorandum or articles, or in any regulations not inconsistent therewith and duly made there under, including regulations made by the company in general meeting:

Provided further that the Board shall not exercise any power or do any act or thing which is directed or required, whether under this Act or by the memorandum or articles of the company or otherwise, to be exercised or done by the company in general meeting.

- (2) No regulation made by the company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

CERTAIN POWERS TO BE EXERCISED BY THE BOARD ONLY AT MEETINGS

173. The Board of Directors of a company shall exercise the following powers on behalf of the company by means of resolutions passed at meetings of the Board, namely:

- (a) to make calls on shareholders in respect of money unpaid on their shares;
- (b) to authorize buy-back of securities under section 68;
- (c) to issue securities, including debentures, whether in or outside India;
- (d) to borrow monies;
- (e) to invest the funds of the company;
- (f) to grant loans or give guarantee or provide security in respect of loans;
- (g) to approve financial statement and the Board's report;
- (h) to diversify the business of the company;
- (i) to approve amalgamation, merger or reconstruction;

- (j) to take over a company or acquire a controlling or substantial stake in another company;
- (k) to make political contributions;
- (l) to appoint or remove key managerial personnel (KMP);
- (m) to take note of appointment(s) or removal(s) of one level below the Key Managerial Personnel;
- (n) to appoint internal auditors and secretarial auditor;
- (o) to take note of disclosure of director's interest and shareholding;
- (p) to buy, sell investments held by the company (other than trade investments) constituting five percent or more of the paidup share capital and free reserve of the investee company;
- (q) to invite and accept or renew public deposits and related matters;
- (r) to review or change the terms and conditions of public deposit;
- (s) to approve quarterly, half yearly and annual financial statements or financial results as the case may be.

Provided that the Board may, by a resolution passed at a meeting, delegate to any committee of directors, the managing director, the manager or any other principal officer of the company or in the case of a branch office of the company, the principal officer of the branch office, the powers specified in clauses (d) to (f) on such conditions as it may specify:

Nothing in this section shall be deemed to affect the right of the company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers specified in this section.

RESTRICTIONS ON POWERS OF BOARD

174. (1) The Board of Directors of a company shall exercise the following powers only with the consent of the company by a special resolution, namely: -

- (a) to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings.
- (b) to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation;
- (c) to borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business:

Provided that the acceptance by a banking company, in the ordinary course of its business, of deposits of money from the public, repayable on demand or otherwise and with drawable by cheque, draft, order or otherwise, shall not be deemed to be a borrowing of monies by the banking company within the meaning of this clause.

- (d) to remit, or give time for the repayment of, any debt due from a director.
- (2) Every special resolution passed by the company in general meeting in relation to the exercise of the powers referred to in clause (c) of sub-section (1) shall specify the total amount up to which monies may be borrowed by the Board of Directors.
- (3) Nothing contained in clause (a) of sub-section (1) shall affect -
- (a) the title of a buyer or other person who buys or takes on lease any property investment

or undertaking as is referred to in that clause, in good faith; or

(b) the sale or lease of any property of the company where the ordinary business of the company consists of, or comprises, such selling or leasing.

(4) Any special resolution passed by the company consenting to the transaction as is referred to in clause (a) of sub-section (1) may stipulate such conditions as may be specified in such resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transactions:

Provided that this sub-section shall not be deemed to authorise the company to effect any reduction in its capital except in accordance with the provisions contained in this Act.

(5) No debt incurred by the company in excess of the limit imposed by clause (c) of sub-section shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.

POWER TO BORROW

175. Subject to the provisions of Sections 73 and 180 of the Act, the Board may, from time to time at its discretion and by means of resolutions passed at its meeting accept deposits from members either in advance of calls or otherwise and generally, raise or borrow or secure the payment or any sum or sums of money for the purposes of the Company.

176. All the provisions applicable to nomination facility available to shareholder(s) and debenture holder(s) enumerated in these Articles shall equally apply to deposit holder(s) and the provisions of Section 72 of the Act shall also apply.

THE PAYMENT OR REPAYMENT OF MONEYS BORROWED

177. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds, debentures or debentures stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its un-called capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

BONDS, DEBENTURES, ETC. TO BE SUBJECT TO CONTROL OF DIRECTORS

178. Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and condition and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Provided that bonds, debentures, debenture-stock or other securities so issued or to be issued by the Company with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in general meeting.

CONDITION ON WHICH MONEY MAY BE BORROWED

179. The Board may raise or secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular by the issue of bonds, perpetual or redeemable debenture-stock or any mortgage, charge or other security on the undertaking of the whole or any part of the Company (both present and future) including its uncalled capital for the time being. The Board shall exercise such power only by means of resolutions passed at its meetings and not by circular resolutions.

TERMS OF ISSUE OF DEBENTURES

180. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

DEBENTURES WITH VOTING RIGHTS NOT BE ISSUED

181. (1) A company may issue debentures with an option to convert such debentures into shares, either wholly or partly at the time of redemption:

Provided that the issue of debentures with an option to convert such debentures into shares, wholly or partly, shall be approved by a special resolution passed at a general meeting.

(2) No company shall issue any debentures carrying any voting rights.

(3) Secured debentures may be issued by a company subject to such terms and conditions as may be determined by central government.

(4) Where debentures are issued by a company under this section, the company shall create a debenture redemption reserve account out of the profits of the company available for payment of dividend and the amount credited to such account shall not be utilized by the company except for the redemption of debentures.

(5) No company shall issue a prospectus or make an offer or invitation to the public or to its members exceeding five hundred for the subscription of its debentures, unless the company has, before such issue or offer, appointed one or more debenture trustees and the conditions governing the appointment of such trustees shall be such as may be determined by central government.

(6) A debenture trustee shall take steps to protect the interests of the debenture holders and redress their grievances in accordance with such rules as may be determined by central government.

(7) Any provision contained in a trust deed for securing the issue of debentures, or in any contract with the debenture-holders secured by a trust deed, shall be void in so far as it would have the effect of exempting a trustee thereof from, or indemnifying him against, any liability for breach of trust, where he fails to show the degree of care and due diligence required of him as a trustee, having regard to the provisions of the trust deed conferring on him any power, authority or discretion:

Provided that the liability of the debenture trustee shall be subject to such exemptions as may be agreed upon by a majority of debenture-holders holding not less than three fourths in value of the total debentures at a meeting held for the purpose.

(8) A company shall pay interest and redeem the debentures in accordance with the terms and conditions of their issue.

(9) Where at any time the debenture trustee comes to a conclusion that the assets of the company are insufficient or are likely to become insufficient to discharge the principal amount as and when it becomes due, the debenture trustee may file a petition before the Tribunal and the Tribunal may, after hearing the company and any other person interested in the matter, by order, impose such restrictions on the incurring of any further liabilities by the company as the Tribunal may consider necessary in the interests of the debenture-holders.

(10) Where a company fails to redeem the debentures on the date of their maturity or fails to pay interest on the debentures when it is due, the Tribunal may, on the application of any or all of the debenture-holders, or debenture trustee and, after hearing the parties concerned, direct, by order, the company to redeem the debentures forthwith on payment of principal and interest due

thereon.

(11) If any default is made in complying with the order of the Tribunal under this section, every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than two lakh rupees but which may extend to five lakh rupees, or with both.

(12) A contract with the company to take up and pay for any debentures of the company may be enforced by a decree for specific performance.

(13) The Central Government may prescribe the procedure, for securing the issue of debentures, the form of debenture trust deed, the procedure for the debenture-holders to inspect the trust deed and to obtain copies thereof, quantum of debenture redemption reserve required to be created and such other matters.

EXECUTION OF INDEMNITY

182. If the Directors or any of them or any other persons shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or surety for the company.

CERTAIN POWERS OF THE BOARD

183. Without prejudice to the general powers conferred by these Articles and so as not in any way to limit or restrict those powers, but subject however to the provisions of the Act, it is hereby expressly declared that the Board shall have the following powers:

- 1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment, and registration of the Company.
- 2) Subject to Sections 179 and 188 and other applicable provisions of the Act, to purchase or otherwise acquire for the Company any property, movable or immovable, rights or privileges which the Company is authorized to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory.
- 3) At its discretion and subject to the provisions of the Act, to pay for any property, rights, privileges acquired by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, mortgages or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as fully paid up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company including its uncalled capital or not so charged.
- 4) To secure the fulfillment of any contracts, agreements or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.
- 5) To appoint and at its discretion, remove or suspend, such managers, secretaries, officers, clerks, agents and employees for permanent, temporary or special services as it may from time to time think fit and to determine their power and duties and fix their salaries, emoluments remuneration and to require security in such instances and of such amounts as it may think fit.
- 6) To accept from any member subject to the provisions of the Act, a surrender of his share or any part thereof on such terms and condition as shall be agreed.
- 7) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for

the Company any property belonging to the Company or in which it is interested or for any other purpose and to execute and do all such deeds and things as may be required in relation to any such trust and to provide for the remuneration of such trustee or trustees.

- 8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due or any claims or demands by or against the Company and to refer any difference to arbitration and observe and perform the terms of any awards made therein either according to Indian Law or according to Foreign Law and either in India or abroad and observe and perform or challenge any award made therein.
- 9) To refer any claims or demands by or against the Company or any difference to arbitration and observe and perform the awards.
- 10) To act on behalf of the Company in all matters relating to bankruptcy and insolvency.
- 11) To make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company.
- 12) To open and operate Bank Accounts, to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes.
- 13) Subject to the provisions of the Act and these Articles from time to time to provide for the management of the affairs of the Company in or outside India in such manner as it may think fit and in particular to appoint any person to be the attorneys or agents of the Company with such person (including the power to sub-delegate) and upon such terms as may be thought fit.
- 14) Subject to the provisions of Sections 179, 180, 185 of Act and other applicable provisions of the Act and these Articles, to invest and deal with the moneys of the Company not immediately required for the purpose thereof in or upon such security (not being shares in this Company) or without security and in such manner as it may think fit and from time to time to vary or realize such investments save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.
- 15) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur, any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as it thinks fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.
- 16) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as a part of working expenses of the Company.
- 17) To provide for the welfare of employees or ex-employees of the Company and the wives and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of money, pension, gratuity, annuities, allowances, bonuses or other payments or by creating and from time to time subscribing or contributing to, provident fund and other associations institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction or recreations, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit.
- 18) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable,

benevolent, religious, scientific, national or any other institutions or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or of public and general utility or otherwise.

- 19) Before recommending any dividend, to set aside, out of the profits of the Company, such sums as it may think proper for depreciation or to a depreciation fund or to an insurance fund or as a reserve fund or sinking fund or any special fund to meet contingencies to repay debentures or for debenture- stock or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the last two preceding clauses) as the Board of Directors, may in its absolute discretion think conducive to the interest of the Company and subject to Section 292 of the Act to invest the several sums so set aside or so much thereof as is required to be invested, upon such investments (other than shares of this Company) as it may think fit and from time to time deal with and vary such investments and dispose off and apply and expend all or any part the for the benefit of the Company, in such manner & for such purposes as the Board of Directors in its absolute discretion think conducive to the interest of the Company notwithstanding that the matters to which the Board of Directors applies or upon which it expends the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended and to divide the general reserve fund into such special funds as the Board of Directors may think fit with full power to transfer the whole or any portion of a reserve fund or division of reserve fund to another reserve fund and with full power to employ the asset constituting all or any of the above funds including the depreciation fund in the business of the Company or in the purchase or repayment of debentures or debenture-stock and that without being bound to keep the same separate from the other assets and without being bound to pay interest on ht same with power however to the Board of Directors at its discretion to pay or allow to the credit of such funds, interest at such rate as the Board of Directors may think proper.
- 20) To pay and charge to the capital account of the Company any commission or interest lawfully payable the out under the provisions of the Act and of the provision contained in these presents.
- 21) From time to time make, vary and repeal by-laws for regulation of the business of the Company, its officers and servants.
- 22) To redeem redeemable preference shares.
- 23) Subject to provisions of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter in to all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.
- 24) To undertake any branch or kind of business which the company is expressly or by implication authorized to undertake at such time or times as it shall think fit and to keep in abeyance any such branch or kind of business even though it may have been actually commenced or not, so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

APPOINTMENT OF INDEPENDENT DIRECTOR

184. Pursuant to section 149 and rules as may be applicable and subject to the provisions of Schedule IV the company shall appoint such number of independent directors from time to time as may be determined by central government by the Central Government.

Every independent director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, give a

declaration that he meets the criteria of independence.

Notwithstanding anything contained in any other provision of this Act, but subject to the provisions of sections 197 and 198, an independent director shall not be entitled to any stock option and may receive remuneration by way of fee provided under sub-section (5) of section 197, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members.

Subject to the provisions of section 152, an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report.

No independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director:

Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly.

Notwithstanding anything contained in this Act -

(i) an independent director;

(ii) a non-executive director not being promoter or key managerial personnel,

shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.

The provisions of sub-sections (6) and (7) of section 152 in respect of retirement of directors by rotation shall not be applicable to appointment of independent directors.

KEY MANAGERIAL PERSONNEL

APPOINTMENT OF KEY MANAGERIAL PERSONNEL

185. (1) Subject to the provisions of Sections 203 and other applicable provisions, if any of the Act, Company shall appoint whole-time key managerial personnel by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration.

(2) A whole-time key managerial personnel shall not hold office in more than one company except in its subsidiary company at the same time:

Provided that nothing contained in this sub-clause shall disentitle a key managerial personnel from being a director of any company with the permission of the Board:

Provided further that whole-time key managerial personnel holding office in more than one company at the same time on the date of commencement of this Act, shall, within a period of six months from such commencement, choose one company, in which he wishes to continue to hold the office of key managerial personnel:

Provided also that a company may appoint or employ a person as its managing director, if he is the managing director or manager of one, and of not more than one, other company and such appointment or employment is made or approved by a resolution passed at a meeting of the Board with the consent of all the directors present at the meeting and of which meeting, and of the resolution to be moved thereat, specific notice has been given to all the directors then in India.

(3) If the office of any whole-time key managerial personnel is vacated, the resulting vacancy shall be filled-up by the Board at a meeting of the Board within a period of six months from the date of such vacancy.

REMUNERATION OF KEY MANAGERIAL PERSONNEL

186. The remuneration of Key Managerial Personnel shall from time to time, be fixed by the Board and may be by way of salary or commission or participation in profits or by any or all of these modes or in any other form and shall be subject to the limitations prescribed in Schedule V along with Sections 196 and 197 of the Act.

DIRECTORS MAY CONFER POWER ON MANAGING DIRECTOR

187. Subject to the provisions of the Act and to the restrictions contained in these Articles, Board may from time to time entrust to and confer upon a Managing Director for the time being such of the powers exercisable by the Board under these Articles as it may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks expedient.

CERTAIN PERSONS NOT TO BE APPOINTED AS MANAGING DIRECTORS

188. No company shall appoint or continue the employment of any person as managing director, whole-time director or manager who -

(a) is below the age of twenty-one years or has attained the age of seventy years:

Provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person;

(b) is an undischarged insolvent or has at any time been adjudged as an insolvent;

(c) has at any time suspended payment to his creditors or makes, or has at anytime made, a composition with them; or

(d) has at any time been convicted by a court of an offence and sentenced for a period of more than six months.

A person shall not be eligible for appointment as a director of a company if such person suffers any of the disqualifications provided under Section 164 of the Act.

189. Special to any contract between him and the Company, a Managing or Wholetime Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provision of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.

190. The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel namely:-

a) Managing Director and

b) Manager.

and shall duly observe the provisions of Section 196 of the Act regarding prohibition of simultaneous appointment of different categories of managerial personnel therein referred to.

THE SECRETARY

191. The Board may, from time to time, appoint and at its discretion, remove any individual (hereinafter called the Secretary) to perform any function which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties which may from time to time be assigned to the Secretary by the Board. The Board may also at any time appoint some

persons (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall conform to the provisions of Section 203 of the Act.

THE SEAL, ITS CUSTODY AND USE

192. The Board of Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and shall provide for the safe custody of the Seal for time being and the Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and except in the presence of at least two Directors or such other person as the Directors may appoint for the purpose and the Directors or other persons aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

MINUTES

193. (1) The Company shall cause minutes of all proceedings of every General Meeting and all proceedings of every meeting of its Board of /directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that, their pages consecutively numbered.

(2) Each page of every such book shall be initialed or signed and the last Page of the record of proceedings of each meeting in such books shall be dated and signed.

(a) in the case of minutes of proceedings of a meeting of the Board or of a committee thereof, by the Chairman of the next succeeding meeting.

(b) In the case of minutes of proceedings of a General Meeting, by the chairman of the same meeting within the aforesaid period of thirty Days or in the event of the death or inability of that Chairman within that period, by a Director duly authorized by the Board for the purpose.

194. Minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board kept in accordance with the provisions of Article 198 above, shall be evidence of the proceedings recorded therein.

195. Where minutes of the proceedings of every General Meeting of the Company or of any meeting of the Board or of a Committee of the Board have been kept in accordance with the provisions of article 199 above then, until the contrary is proved the meeting shall be deemed to have been duly called and held and all proceedings thereat to have duly taken place and in particular all appointments of Directors or liquidators made at the meeting shall be deemed to be Valid.

196. (1) The books containing the minutes of the proceedings of any General Meeting of the Company shall be kept at the registered office of the Company and shall be open for inspection of members without charge between the hours 2 p.m. and 5 p.m. during business hours on each working day except Saturday

(2) Any member of the Company shall be entitled to be furnished, within seven days after he has made a request in writing in that behalf to the Company, with a copy of any minutes referred above on payment of such sum not exceeding Ten Rupees for every page thereof required to be copied.

(3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(4) The minutes of different meetings shall contain a fair and correct summary of proceedings thereat.

(5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.

(6) In the case of a meeting of the Board of Directors or of a committee of the Board, the minutes

shall also contain -

- (a) the names of the directors present at the meeting; and
 - (b) in the case of each resolution passed at the meeting, the names of the directors, if any, dissenting from, or not concurring with the resolution.
- (7) Nothing contained in clauses (1) to (6) there shall not be included in the minutes, any matter which, in the opinion of the Chairman of the meeting -
- (a) is or could reasonably be regarded as defamatory of any person; or
 - (b) is irrelevant or immaterial to the proceedings; or
 - (c) is detrimental to the interests of the company.

The Chairman shall exercise and absolute discretion in regard to the inclusion or non-inclusion of any matters in the minutes on the grounds specified in this clause.

PRESUMPTIONS TO BE DRAWN WHERE MINUTES DULY DRAWN AND SIGNED.

197. Where minutes of the proceedings of any general meeting of the Company or of any meeting of its Board of Directors of a Committee of the Board have been kept in accordance with the provisions of Section 118 of the act then, until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken place and in particular all appointments of directors of Liquidators made at the meeting shall be deemed to be valid and the minutes shall be evidence of the proceedings recorded therein.

DIVIDENDS

198. (1) No dividend shall be declared or paid by a company for any financial year except -

- (a) out of the profits of the company for that year arrived at after providing for depreciation or out of the profits of the company for any previous financial year or years arrived at after providing for depreciation in accordance with the provisions of that sub-section and remaining undistributed, or out of both; or
- (b) out of money provided by the Central Government or a State Government for the payment of dividend by the company in pursuance of a guarantee given by that Government: Provided that a company may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the company:

Provided further that where, owing to inadequacy or absence of profits in any financial year, any company proposes to declare dividend out of the accumulated profits earned by it in previous years and transferred by the company to the reserves, such declaration of dividend shall not be made except in accordance with such rules as may be determined by central government in this behalf:

Provided also that no dividend shall be declared or paid by a company from its reserves other than free reserves.

(2) The depreciation shall be provided in accordance with the provisions of Schedule II of the act.

(3) The Board of Directors of a company may declare interim dividend during any financial year out of the surplus in the profit and loss account and out of profits of the financial year in which such interim dividend is sought to be declared:

Provided that in case the company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the company

during the immediately preceding three financial years.

(4) The amount of the dividend, including interim dividend, shall be deposited in a scheduled bank in a separate account within five days from the date of declaration of such dividend.

(5) No dividend shall be paid by a company in respect of any share therein except to the registered shareholder of such share or to his order or to his banker and shall not be payable except in cash: Provided that nothing in this sub-section shall be deemed to prohibit the capitalization of profits or reserves of a company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the company:

Provided further that any dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholder entitled to the payment of the dividend.

(6) A company which fails to comply with the provisions of sections 73 and 74 shall not, so long as such failure continues, declare any dividend on its equity shares.

DIVIDEND TO JOINT HOLDERS

199. Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.

200. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

No amount paid or credited as paid on a share in advance of calls shall be treated as paid up on the share.

APPORTIONMENT OF DIVIDENDS

201. All dividends shall be apportioned and paid proportionate to the amounts paid or credited as paid on the shares, during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

DECLARATION OF DIVIDENDS

202. The Company in General Meeting may, subject to the provisions of Section 123 of the Act, declared a dividend to be paid to the members according to their right and interests in the profits and may fix the time for payment.

RESTRICTION ON AMOUNT OF DIVIDEND

203. No larger dividend shall be declared than is recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

DIVIDEND OUT OF PROFITS ONLY AND NOT TO CARRY INTEREST

204. (1) No dividend shall be payable except out of the profits of the Company arrived at as stated in Section 123 of the Act.

(2) The declaration of the Board as to the amount of the net profits of the Company shall be conclusive.

INTERIM DIVIDENDS

205. The Board of Directors may from time to time pay the members such interim dividends as appears to it to be justified by the profits of the Company in accordance with Section 123 of the Act.

DEBTS MAY BE DEDUCTED

206. The Board may retain any dividends payable on shares on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which lien exists.

DIVIDEND AND CALL TOGETHER

207. Any General Meeting declaring an dividend may make a call on the members of such amount as the meeting fixes but so that the call on each members shall not exceed the dividend payable on him and so that the call may be made payable at the same time as the dividend and dividend may; if so arranged between the Company and the member, be set off against the call.

EFFECT OF TRANSFER

208. Right to dividend, right shares and bonus shares shall be held in abeyance pending registration of transfer of shares in conformity with the provision of Section 126 of the Act.

RETENTION IN CERTAIN CASES

209. The Board may retain the dividends payable upon share in respect of which any person is under Articles entitled to become a member of which any person under that Article is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.

NO MEMBER TO RECEIVE INTEREST OR DIVIDEND WHILST INDEBTED TO THE COMPANY AND COMPANY'S RIGHT TO REIMBURSEMENT THERE OUT

210. No member shall be entitled to receive payment of an interest or dividend in respect of his own share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares otherwise howsoever either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any shareholder all sums or money so due from him to the Company.

PAYMENT BY POST

211. Any dividend payable in cash may be paid by cheque or warrant sent through the post directly to the registered address of the shareholder entitled to the payment of the dividend or in the case of joint shareholders to the registered address of that one whose name stands first on the Register of Members in respect of the joint shareholding or to such persons and to such address as the shareholders of the joint shareholders may in writing direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent and the Company shall not be responsible or liable for any cheque or warrant lost in transit or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent recovery thereof by any other means. The Company may, if it thinks fit, call upon the shareholders when applying for dividends or bonus to produce their share certificates at the registered office or other place where the payment of dividend is to be made.

DIVIDEND TO BE PAID WITHIN THIRTY DAYS

212. The Company shall pay dividend or send the warrant in respect thereof to the shareholder entitled to the payment of the dividend within Thirty days from the date of the declaration of the dividend unless:
- (a) the dividend could not be paid by reason of the operation of any law or
 - (b) a shareholder has given directions to the Company regarding the payment of dividend and these directions can not be complied with or
 - (c) there is dispute, regarding the right to receive the dividend or
 - (d) the dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder or

(e) for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

UNPAID OR UNCLAIMED DIVIDEND

213. (1) Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration to any shareholder entitled to the payment of the dividend, the company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account.

(2) The company shall, within a period of ninety days of making any transfer of an amount under sub-section (1) to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be determined by central government.

(3) If any default is made in transferring the total amount referred to in sub-section (1) or any part thereof to the Unpaid Dividend Account of the company, it shall pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at the rate of twelve per cent. per annum and the interest accruing on such amount shall endure to the benefit of the members of the company in proportion to the amount remaining unpaid to them.

(4) Any person claiming to be entitled to any money transferred under sub-section (1) to the Unpaid Dividend Account of the company may apply to the company for payment of the money claimed.

(5) Any money transferred to the Unpaid Dividend Account of a company in pursuance of this section which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the company along with interest accrued, if any, thereon to the Fund established under sub-section (1) of section 125 and the company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said Fund and that authority shall issue a receipt to the company as evidence of such transfer.

(6) All shares in respect of which unpaid or unclaimed dividend has been transferred under sub-section (5) shall also be transferred by the company in the name of Investor Education and Protection Fund along with a statement containing such details as may be determined by central government and that there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law:

Provided that any claimant of shares transferred above shall be entitled to claim the transfer of shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be determined by central government.

CAPITALIZATION OF RESERVES

214. (a) Any General Meeting may, upon the recommendation of the Board resolve that any moneys, investments or other assets forming part of the undistributed profits of the Company standing to the credit of any of the profit and loss account or any capital redemption reserve fund or in hands of the Company and available for dividend or representing premium received on the issue of shares and standing to the credit of the share premium account be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund shall not be paid in cash but shall be applied subject to the provisions contained in clause (b) hereof on behalf of such shareholders in full or

towards:

- (1) Paying either at par or at such premium as the resolution may provide any unissued shares or debentures or debenture-stock of the Company which shall be allotted, distributed and credited as fully paid up to and amongst such members in the proportions aforesaid; or
 - (2) Paying up any amounts for the time being remaining unpaid on any shares or debentures or debenture- stock held by such members respectively; or
 - (3) Paying up partly in the way specified in sub-clause (1) and partly in that specified in sub-clause (2) and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.
- (b) (1) Any moneys, investments or other assets representing premium received on the issue of shares and standing to the credit of share premium account; and
- (2) If the Company shall have redeemed any redeemable preference shares, all or any part of any capital redemption fund arising from the redemption of such shares may, by resolution of the Company be applied only in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares to be issued to such members of the Company as the General Meeting may resolve upto an amount equal to the nominal amount of the shares so issued.
- (c) Any General Meeting may resolve that any surplus moneys arising from the realization of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company not subject to charge for income-tax be distributed amongst the members on the footing that they receive the same as capital.
- (d) For the purpose of giving effect to any such resolution, the Board may settle any difficulty which may arise in regard to the distribution of payment as aforesaid as it thinks expedient and in particular it may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fixed and may vest any such cash, share, debentures, debenture-stock, bonds or other obligation in trustees upon such trust for the persons entitled thereto as may seem expedient to the Board and generally may make such arrangement for acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise as it may think fit.
- (e) If and whenever any share becomes held by any member in fraction, the Board may subject to the provisions of the Act and these Articles and to the directions of the Company in General Meeting, if any, sell the shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion the net proceeds of the sale thereof, for the purpose of giving effect to any such sale, the Board may authorize any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or of invalidity in the proceedings with reference to the sale.
- (f) Where required; a proper contract shall be delivered to the Registrar for registration in accordance with Section 39 of the Companies Act 2013 and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund and such appointment shall be effective.

FRACTIONAL CERTIFICATES

215. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall;

- (a) make all appropriations and applications of the undivided profits resolved to be

- capitalized thereby and all allotments and issues of fully paid Shares and
- (b) Generally do all acts and things required to give effect thereto.
- (2) The Board shall have full power:
- (a) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions, also
 - (b) to authorize any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalization or (as the case may require) for the payment by the Company on their behalf by the application thereof of the respective proportions of the profits resolved to be capitalised of the amounts remaining unpaid on their existing Shares.
- (3) Any agreement made under such authority shall be effective and binding on all such Members.
- (4) that for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.

DIVIDEND IN CASH

216. No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.
217. The Board shall give effect to the resolution passed by the Company in pursuance of all the above Articles.

BOOKS OF ACCOUNTS BOOKS OF ACCOUNTS TO BE KEPT

218. The Company shall cause to be kept proper books of account with respect to:
- (i) all sums of money received and expended by a company and matters in relation to which the receipts and expenditure take place;
 - (ii) all sales and purchases of goods and services by the company;
 - (iii) the assets and liabilities of the company; and
 - (iv) the items of cost as may be determined by central government under section 148 in the case of a company which belongs to any class of companies specified under that section;

BOOKS WHERE TO BE KEPT AND INSPECTION

219. (1) Every company shall prepare and keep at its registered office books of account and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the company, including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.
- All or any of the books of account aforesaid and other relevant papers may be kept at such other place in India as the Board of Directors may decide and where such a decision is taken, the company shall, within seven days thereof, file with the Registrar a notice in writing giving the full address of that other place. The company may keep such books of account or other relevant papers in electronic mode in such manner as may be determined by central government.
- (2) Where a company has a branch office in India or outside India, it shall be deemed to have

complied with the provisions of sub-clause (1), if proper books of account relating to the transactions effected at the branch office are kept at that office and proper summarized returns periodically are sent by the branch office to the company at its registered office or the other place referred to in sub-clause (1).

- (3) The books of account of every company relating to a period of not less than eight financial years immediately preceding a financial year, or where the company had been in existence for a period less than eight years, in respect of all the preceding years together with the vouchers relevant to any entry in such books of account shall be kept in good order.
- (4) The Company may keep such books of accounts or other relevant papers in electronic mode in such manner as may be prescribed.

INSPECTION BY MEMBERS

220. The Board of Directors shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations accounts the and books and the documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred statute or authorised by the Board of Directors or by a resolution of the Company in General Meeting.

TRANSFER BOOKS AND REGISTER OF MEMBERS WHEN CLOSED

221. The Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situated, to close the Transfer books, the Register of members or Register of debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year.

If the transfer books have not been closed at any time during a year, the Company shall at least once a year, close the books at the time of its Annual General Meeting. The minimum time gap between the two book closures and/or record dates would be atleast 30 (thirty) days.

STATEMENT OF ACCOUNTS TO BE LAID IN GENERAL MEETING

222. The Board of Directors shall from time to time, in accordance with Sections 129 and 134 of the Act, cause to be prepared and to be laid before the Company in General Meeting, such Balance Sheets, Profits & Loss Accounts and reports as are required by these Sections.

FINANCIAL STATEMENT

223. Subject to the provisions of Section 129 of the Act, every Financial Statement of the Company shall be in the forms set out in Schedule II of the Act, or as near there to as circumstances admit. So long as the Company is a holding Company having a subsidiary the Company shall conform to Section 129 and other applicable provisions of the Act.

If in the opinion of the Board, any of the current assets of the Company have not a value on realization in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion shall be stated.

AUTHENTICATION OF FINANCIAL STATEMENT

224. The Financial Statements shall be signed in accordance with the provisions of Section 134 of the said Act. The Financial Statement, shall be approved by the Board of Directors before they are submitted to the auditors for report thereon Profit and Loss Accounts to be Annexed and Auditors' Report to be attached to the Balance Sheet. The Profit and Loss Account shall be annexed to the Balance and the Auditors' Report including the Auditor's separate, special or supplementary report, if any, shall be attached thereon.

BOARD'S REPORT TO BE ATTACHED TO FINANCIAL STATEMENT

225. Every Financial Statement laid before the Company in General Meeting shall have attached to it a Report by the Board of Directors with respect to the State of the Company's affairs and such other matters as prescribed under Section 134 of the Act and the Rules made thereunder. The Report shall so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries deal with any changes which have occurred during the financial year in the nature of the Company of Company's business, or of the Company's subsidiaries or in the nature of the business in which the Company has an interest. The board shall also give the fullest information and explanation in its Report or in cases falling under the proviso to Section 129 of the Act in an addendum to that Report, on every reservation, qualification or adverse remark contained in the Auditor's Report. The Board's Report and addendum (if any) thereto shall be signed by its Chairman if he is authorized in that behalf by the Board; and where he is not so authorized shall be signed by such number of Directors as are required to sign the Financial Statements of the Company by virtue of sub-clauses (a) and (b) of Article 229. The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of sub-clauses (a) and (b) of this Article are complied with. Every Financial Statement of the Company when audited and approved and adopted by the members in the annual general meeting shall be conclusive except as regards in matters in respect of which modifications are made thereto as may from time to time be considered necessary by the Board of Directors and or considered proper by reason of any provisions of relevant applicable statutes and approved by the shareholders at a subsequent general meeting.

RIGHT OF MEMBERS TO COPIES OF FINANCIAL STATEMENT AND AUDITOR'S REPORT

226. A copy of every Financial Statement and the auditor's report and every other document required by law to be annexed or attached, as the case may be; to the balance sheet which is to be laid before the Company in General Meeting, shall be made available for inspection at the Registered Office of the Company during the working hours for a period of 21 days before the date of the meeting. A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid as may be permitted by Section 136 of the Act and as the Company may deem fit, will be sent to every member of the Company and to every Trustees for the holders of any debentures issued by the Company, not less than 21 days before the meeting as laid down in Section 136 of the Act. Provided that it shall not be necessary to send copies of the documents aforesaid to:

- (a) to a member or holder of the debenture of the Company who is not entitled to have the notice of general meeting of the Company sent to him and whose address the Company is unaware;
- (b) to more than one of the joint holders of any shares or debentures some of whom are and some of whom are not entitled to have such notice sent to them, by those who are not so entitled.

A COPY OF THE FINANCIAL STATEMENT ETC. TO BE FILED WITH REGISTRAR

227. After the Financial Statements have been laid before the Company at the annual general Meeting, a copy of the Financial Statement duly signed as provided under Section 137 of the Act together with a copy of all documents which are required to be annexed there shall be filed with the Registrar so far as the same be applicable to the Company.

RIGHT OF MEMBER TO COPIES OF AUDITED FINANCIAL STATEMENT

228. (1) Without prejudice to the provisions of section 101, a copy of the financial statements, including consolidated financial statements, if any, auditor's report and every other document required by

law to be annexed or attached to the financial statements, which are to be laid before a company in its general meeting, shall be sent to every member of the company, to every trustee for the debenture- holder of any debentures issued by the company, and to all persons other than such member or trustee, being the person so entitled, not less than twenty-one days before the date of the meeting.

The provisions of this clause shall be deemed to be complied with, if the copies of the documents are made available for inspection at its registered office during working hours for a period of twenty-one days before the date of the meeting and a statement containing the salient features of such documents in the prescribed form or copies of the documents, as the company may deem fit, is sent to every member of the company and to every trustee for the holders of any debentures issued by the company not less than twenty-one days before the date of the meeting unless the shareholders ask for full financial statements.

The Central Government may prescribe the manner of circulation of financial statements of companies having such net worth and turnover as may be determined by central government and company shall also place its financial statements including consolidated financial statements, if any, and all other documents required to be attached thereto, on its website, which is maintained by or on behalf of the company.

Provided also that every subsidiary or subsidiaries shall -

- (a) place separate audited accounts in respect of each of its subsidiary on its website, if any;
- (b) provide a copy of separate audited financial statements in respect of each of its subsidiary, to any shareholder of the company who asks for it.

(2) A company shall allow every member or trustee of the holder of any debentures issued by the company to inspect the documents stated under sub-clause (1) at its registered office during business hours.

ACCOUNTS TO BE AUDITED

229. (1) Once at least in every year they accounts of the Company shall be examined by one or more Auditors who shall report to the shareholders as to whether the Balance Sheet reflects a true and fair view of the state of affairs of the Company as at that date and the Profit and Loss Account discloses a true and fair view of the profit and loss incurred by the Company during the year under review.

(2) The appointment, remuneration, rights, powers & duties of the Company's Auditor shall be regulated in accordance with the provision of the Act.

APPOINTMENT OF AUDITORS

230. (1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 139 to 143, 145 and 146 of the Act and rules made thereunder.

(2) The Company shall, at the first annual general meeting, appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting and the manner and procedure of selection of auditors by the members of the company at such meeting shall be according to the provisions of the Act.

Provided that the company shall place the matter relating to such appointment for ratification by members at every annual general meeting.

Provided further that before such appointment is made, the written consent of the auditor to such appointment, and a certificate from him or it that the appointment, if made, shall be in accordance with the conditions as may be determined by central government, shall be obtained from the

auditor:

Provided also that the certificate shall also indicate whether the auditor satisfies the criteria provided in Section 141:

Provided also that the company shall inform the auditor concerned of his or its appointment, and also file a notice of such appointment with the Registrar within fifteen days of the meeting in which the auditor is appointed.

(3) At any Annual General Meeting a retiring Auditor by whatsoever authority appointed shall be reappointed unless:

- (a) he is not disqualified for re-appointment;
- (b) he has not given the company a notice in writing of his unwillingness to be re-appointed; and
- (c) a special resolution has not been passed at that meeting appointing some other auditor or providing expressly that he shall not be re-appointed.

(4) The company shall not appoint or reappoint -

- (a) an individual as auditor for more than one term of five consecutive years; and
 - (b) an audit firm as auditor for more than two terms of five consecutive years:
- Provided that—

- (i) an individual auditor who has completed his term under clause (a) shall not be eligible for re- appointment as auditor in the same company for five years from the completion of his term.
- (ii) an audit firm which has completed its term under clause (b), shall not be eligible for re- appointment as auditor in the same company for five years from the completion of such term.

(5) Where at any annual general meeting, no auditor is appointed or re-appointed, the existing auditor shall continue to be the auditor of the company.

POWER OF BOARD TO MODIFY FINAL ACCOUNTS

231. Every Balance Sheet and Profit and Loss Account of the Company when audited and adopted by the Company in General Meeting shall be conclusive.

DOCUMENTS AND NOTICE

SERVICES OF DOCUMENTS ON MEMBER BY COMPANY

232. Save as provided in this Act or the rules made thereunder for filing of documents with the Registrar in electronic mode, a document may be served on Registrar or any member by sending it to him by post or by registered post or by speed post or by courier or by delivering at his office or address, or by such electronic or other mode as may be determined by central government:

Provided that a member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the company in its annual general meeting.

SERVICE OF DOCUMENTS ON COMPANY

233. A document may be served on a company or an officer thereof by sending it to the company or the officer at the registered office of the company by registered post or by speed post or by courier service or by leaving it at its registered office or by means of such electronic or other mode as may be determined by central government:

Provided that where securities are held with a depository, the records of the beneficial ownership

may be served by such depository on the company by means of electronic or other mode.

“SERVICE OF DOCUMENTS ON THE COMPANY”

234. Where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or other mode in accordance with the Act and rules made thereunder.

AUTHENTICATION OF DOCUMENTS AND PROCEEDINGS

235. Save as otherwise expressly provided in the Act, the rules made thereunder and these Articles, a document or proceeding requiring authentication by a company; or contracts made by or on behalf of a company, may be signed by any key managerial personnel or an officer of the company duly authorized by the Board in this behalf.

REGISTERS AND DOCUMENTS

REGISTERS AND DOCUMENTS TO BE MAINTAINED BY THE COMPANY

236. The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including the following:

- (a) Register of investments made by the Company but not held in its own name, as required by Section 187(3) of the Act.
- (b) Register of mortgages and charges as required by Section 85 of the Act.
- (c) Register and index of Member and debenture holders as required by Section 88 of the Act.
- (d) Register of contracts, with companies and firms in which Directors are interested as required by Section 189 of the Act.
- (e) Register of Directors and key managerial personnel and their shareholding under Section 170 of the Act.
- (f) Register of loans, guarantee, security and acquisition made by the company under Section 186 (9) of the Act.
- (g) Copies of annual returns prepared under Section 92 of the Act together with the copies of certificates and documents required to be annexed thereto.

MAINTENANCE AND INSPECTION OF DOCUMENTS IN ELECTRONIC FORM

237. Without prejudice to any other provisions of this Act, any document, record, register, minutes, etc., —

- (a) required to be kept by a company; or
- (b) allowed to be inspected or copies to be given to any person by a company under this Act, may be kept or inspected or copies given, as the case may be, in electronic form in such form and manner as may be determined by the Central Government.

INDEMNITY

238. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

WINDING UP DISTRIBUTION OF ASSETS

239. (a) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the

Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidator, with the like sanction, shall think fit.

(b) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributions (except where unalterably fixed by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories, shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 319 of the Act.

(c) In case any Shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said Shares may within ten days after the passing of the Special Resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall, if practicable act accordingly.

RIGHT OF SHAREHOLDERS IN CASE OF SALE

240. A Special Resolution sanctioning a sale to any other Company duly passed pursuant to provisions of the Companies Act, 2013 may subject to the provisions of the Act in like manner as aforesaid determine that any Shares or other consideration receivable by the liquidator be distributed against the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction

SECRECY CLAUSE

241. No member or other person (not being a Director) shall be entitled to visit or inspect any property or premises or works of the Company without the permission of the Board or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Board, it would be inexpedient in the interest of the Company to disclose Secrecy undertaking.

242. Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee agents, officer, servant, accountant or other person employed in the business of the Company shall, when required, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with the customers and the state of accounts with individual and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties, except when required so to do by the Board or by any meeting of the shareholders, if any or by a Court of Law the person to whom matters relate and except so far as may be necessary in order to comply with any of the provision in these present contained.

KNOWLEDGE IMPLIED

243. Each member of the Company, present and future, is to be deemed to join the Company with full knowledge of all the contents of these presents.

Section XIV Other Information

(A) Material Contracts and Documents for Inspection

The copies of the following documents and contracts which have been entered into or are to be entered into by the Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of the Prospectus) which are or may be deemed material will be attached to the copy of the Prospectus which will be delivered to the ROC for registration. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at 7, Millenium Plaza, Opp. Swaminarayan Mandir, Mansi Cross Road, Vastrapur, Ahmedabad Gujarat - 380013 from date of filing the Prospectus with ROC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

Material Contracts

1. Issue agreement dated January 21, 2019 between our Company and the Lead Manager.
2. Registrar Agreement dated January 21, 2019 between our Company and the Registrar to the Issue.
3. Underwriting Agreement dated September 19, 2019 amongst our Company, the Lead Manager, and the Underwriters.
4. Market Making Agreement dated July 25, 2019 amongst our Company, the Lead Manager and the Market Maker.
5. Banker's to the Issue Agreement dated August 26, 2019 amongst between our Company, the Lead Manager, the Banker to the Issue and the Registrar to the Issue.
6. Tripartite agreement dated March 19, 2019 amongst our Company, Registrar to the Issue and National Securities Depository Limited.
7. Tripartite agreement dated March 18, 2019 amongst our Company, Registrar to the Issue and Central Depository Services (India) Limited.

Material Documents

1. Certified true copy of the Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended from time to time.
2. Resolutions of the Board of Directors date June 18, 2019 authorizing the issue.
3. Special resolution of the Shareholders' passed at the EGM dated June 19, 2019 authorizing the issue.
4. Statement of Tax Benefits dated June 18, 2019 issued by Bhagat & Co., Chartered Accountants
5. Copy of Restated Standalone Financial Statement from the peer review auditor certified by M/s Bhagat & Co., Chartered Accountants, dated June 18, 2019, included in the Prospectus for Financial Year ended March 31, 2019, 2018 & 2017.
6. Consents of Promoters, Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditor and Peer Review Auditor, Legal Advisor to the Issue, Advisor to the Issue Advisor to the Company, Lead Manager to the Issue, Registrar to the Issue, Underwriters, Market Maker, Banker to the Issue and Banker to the Company to include their names in the Prospectus to act in their respective capacities.
7. Due Diligence Certificate dated July 18, 2019 issued by the Lead Manager.

8. Copy of approval from National Stock Exchange of India Limited *vide* letter dated September 09, 2019 to use the name of National Stock Exchange of India Limited in the offer document for listing of Equity Shares on Emerge Platform of National Stock Exchange of India Limited Any of the contracts or documents mentioned in the Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.

(B) Declaration

We hereby declare that all the relevant provisions of the Companies Act, 1956 / Companies Act, 2013 and the guidelines /Regulations issued by the Government of India or guidelines/ regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 1956 / Companies Act, 2013 the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Prospectus are true and correct.

Signed by the Directors of the Company:

Name	Designation	Signature
Vijay Shah	Chairman and Managing Director	Sd/-
Alpaben Shah	Whole Time Director and Chief Financial Officer	Sd/-
Niravbhai Shah	Independent Director	Sd/-
Manish Jain	Independent Director	Sd/-
Jugal Dave	Independent Director	Sd/-

Place: Ahmedabad**Date: September 21, 2019**