



## VEERAM ORNAMENTS LIMITED

CIN: U74110GJ2011PLC064964

Our Company was originally incorporated as 'Veeram T.V Network Private Limited' under the provisions of the Companies Act, 1956 vide certificate of Incorporation dated April 15, 2011 bearing Registration No. 064964. Our Company was renamed as Veeram Spiritual Energies Private Limited and fresh certificate of incorporation consequent upon change of name was issued by the RoC on February 26, 2014. Subsequently the name of our Company was changed from Veeram Spiritual Energies Private limited to Veeram Ornaments Private Limited and fresh certificate of incorporation consequent upon change of name was issued by the RoC on June 10, 2016. Our Company was converted into a public limited company pursuant to a special resolution passed by our shareholders at the EGM held on June 24, 2016 and the name of our Company was changed to Veeram Ornaments Ltd. A fresh certificate of incorporation was issued by the RoC on July 26, 2016. For details of incorporation, please refer to chapter titled "History and Certain Corporate Matters" beginning on page no. 115 of this Draft Prospectus.

**Registered Office:** Shop No. 2, Naroda Pride, Nr. Padmavati Society, Naroda-Nikol Road, Ahmedabad - 382350, Gujarat

**Tel No.:** +079- 22812568; **Email:** info@veeramornaments.com; **Website:** www.veeramornaments.com

**Contact Person:** Ms. Noopur Prakash Jain, Company Secretary and Compliance Officer.

**Our Promoters:** Mr. Rakshit Mahendra Shah and Mrs. Pinal Rakshit Shah

**Corporate Identity Number:** U74110GJ2011PLC064964

### THE ISSUE

**PUBLIC ISSUE OF UPTO 11,37,000 EQUITY SHARES OF RS 10/- EACH ("EQUITY SHARES") OF VEERAM ORNAMENTS LIMITED ("VOL" OR THE "COMPANY" OR "THE ISSUER" ) FOR CASH AT A PRICE OF RS 45 PER SHARE (INCLUDING SHARE PREMIUM OF RS. 35.00 PER EQUITY SHARE) (THE "ISSUE PRICE"), AGGREGATING TO RS 511.65 LAKHS ("THE ISSUE") OF WHICH UPTO 57,000 EQUITY SHARES OF FACE VALUE OF RS. 10 EACH FOR A CASH PRICE OF RS 45.00 PER EQUITY SHARE, AGGREGATING TO RS. 25.65 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKERS TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF UPTO 10,80,000 EQUITY SHARES OF FACE VALUE OF RS 10/- EACH AT ISSUE PRICE OF RS 45.00 PER EQUITY SHARE AGGREGATING TO RS 486.00 LAKHS (IS HEREINAFTER REFERRED TO AS THE "NET ISSUE"). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.38% AND 25.06%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED " TERMS OF THE ISSUE" BEGINNING ON PAGE 203 OF THIS DRAFT PROSPECTUS.**

### THE FACE VALUE OF THE EQUITY SHARE IS RS.10/- AND THE ISSUE PRICE IS 4.5TIMES OF THE FACE VALUE

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

*For further details see "Issue Related Information" beginning on page no. 203 of this Draft Prospectus.*

In terms of the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" beginning on page no. 212 of this Draft Prospectus. A copy will be delivered for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013.

### ELIGIBLE INVESTORS

For details in relation to eligible investors, please refer to section titled "Issue Procedure" beginning on page no 212 of this draft prospectus

### RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Company, there has been no formal market for the securities of the company. The face value of the shares is Rs.10/- per Equity Share and the Issue Price is 4.5 times of the face value. The Issue Price (has been determined and justified by Our Company in consultation with the Lead Manager as stated under the paragraph on "Basis for Issue Price" on page no. 81 of this Draft Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our company or regarding the price at which the shares will be traded after listing.

### GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision investors must rely on their own examination of our Company and the Issue including the risks involved. The securities have not been recommended or approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this document. **Specific attention of the Investors is invited to the statement of Risk Factors given on page no. 13 of this Draft Prospectus under the Section "Risk Factors".**

### ISSUER'S ABSOLUTE RESPONSIBILITY

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

### LISTING

The Equity Shares offered through this Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE"). In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain an in-principle listing approval for the shares being offered in this issue. However, Our Company has received an approval letter dated [●] from BSE for using its name in this offer document for listing on the SME Platform of the BSE. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited ("BSE").

### LEAD MANAGER



#### GRETEX CORPORATE SERVICES PRIVATE LIMITED

Office No. 13, 1st Floor, Raja Bahadur Mansion,  
 New Bansilal Building, 9-15, Homi Modi Street,  
 Fort, Near BSE Ltd, Mumbai -400023  
 Tel No.: +91 - 22 - 40025273 / 9836822199/ 9836821999  
 Fax No.: +91 - 22 - 40025273  
 Email: ipo@gretexgroup.com  
 Website: www.gretexcorporate.com  
 Investor Grievance Email: ipo@gretexgroup.com  
 Contact Person: Mr. Tanmoy Banerjee  
 SEBI Registration No. INM000012177

### REGISTRAR TO THE ISSUE



#### Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot 31-32,  
 Gachibowli, Financial District, Nanakramguda,  
 Hyderabad-500032  
 Tel: +91 40 - 6716 2222  
 Fax: +91 40 - 2343 1551  
 Email: einward.ris@karvy.com  
 Website: www.karisma.karvy.com  
 Investor Grievance Email: veeram.ipo@karvy.com  
 Contact Person: Mr. M Murali Krishna  
 SEBI Registration No.: INR000000221

### ISSUE OPENS ON

[●]

### ISSUE CLOSES ON

[●]

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## SECTION I -GENERAL

### DEFINITIONS AND ABBREVIATIONS

In this Draft Prospectus, unless the context otherwise requires, the terms defined and abbreviations stated hereunder shall have the meanings as assigned therewith as stated in this section.

#### General Terms

Term	Description
Act/ Companies Act	The Companies Act, 2013 to the extent applicable.
Depositories Act	The Depositories Act, 1996 and amendments thereto.
Depository / Depositories	A Depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time, in this case being Central Depository Services Limited (CDSL) and National Securities Depository Limited (NSDL)
EPS	Earnings per Share
IT Act	The Income Tax Act, 1961 and amendments thereto
Indian GAAP	Generally Accepted Accounting Principles in India
NAV	Net Asset Value per Share
PAT	Profit after Tax
RONW	Return on Net Worth
ROC / Registrar of Companies	The Registrar of Companies, RoC Bhavan, Opp Rupal Park Society, behind Ankur Bus Stop, Naranpura, Ahmedabad - 380013, Gujarat, India.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992 and amendments thereto
SEBI Regulations/ SEBI ICDR Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations / Takeover Code/ Takeover Regulations/ SEBI (SAST) Regulations	The SEBI (SAST) Regulations 2011 which came into effect from October 22, 2011 and subsequent amendments thereto.
Securities Act	United States Securities Act of 1933, as amended.

#### Issue Related Terms

Terms	Description
Allotment	Unless the context otherwise requires, the allocation and transfer of the Equity Shares pursuant to the Offer to successful Applicants
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application.
Allotment Advice	Note or advice or intimation of allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges
Allottee	The successful applicant to whom the Equity Shares are being/ have been allotted.
Applicant(s)	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus.
Application Amount	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of this Draft 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	An application, whether physical or electronic, used by Applicants, to make an Application authorizing an SCSB to block the Application Amount in the ASBA Account maintained with the SCSB. ASBA is mandatory for QIBs and Non Institutional Applicants participating in the Offer.
ASBA Investor/ ASBA Applicant	Any prospective investor(s)/applicant(s) in the Offer who apply (ies) through the ASBA Process.
ASBA Application Location (s)/ Specified Cities	Cities as specified in the SEBI Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011 namely Ahmedabad, Bangalore, Baroda (Vadodara), Chennai, Delhi, Hyderabad, Jaipur, Kolkata, Mumbai, Pune, Rajkot and Surat
Banker(s) to the Company	Central Bank of India
Banker(s) to the Offer/ Escrow Collection Bank(s)	[●]
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Offer in consultation with the Stock Exchange which is described in the Chapter titled ' <i>Issue Procedure</i> ' beginning on page 212 of this Draft Prospectus.
BSE	BSE Limited
Broker Centres	Broker centres notified by the Stock Exchanges, where the Applicants can submit the Application Forms to a Registered Broker
Business Day	Monday to Friday(except public holiday)
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Client Id	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the LM, the Registrar to the Stock Exchange.
Demographic Details	The demographic details of the Applicants such as their Address, Pan, Occupation and Bank Account details.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996, as amended from time to time.
DP ID	Depository Participant's Identity
Draft Prospectus	The Draft Prospectus, filed with the RoC containing, inter alia, the Offer opening and closing dates and other information.
ECS	Electronic Clearing Service
Escrow Account	Account opened/ to be opened with the Escrow Collection Bank(s) and in whose favour the Applicant (excluding the ASBA Applicant) will issue cheques or drafts in respect of the Application Amount when submitting an Application
Escrow Agreement	Agreement entered / to be entered into amongst our Company, Lead Manager, the Registrar, the Banker(s) to the Offer/ Escrow Collection Bank(s) for collection of the Application Amounts and for remitting refunds (if any) of the amounts collected to the Applicants (excluding the ASBA Applicants) on the terms and condition thereof
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker(s) to the Offer/ Escrow Collection Bank(s) at which bank(s) the Escrow Account of our Company will be opened.
Equity Shares	Equity Shares of our Company of Face Value of Rs. 10 each being offered

	under the Offer unless otherwise specified in the context thereof.
GoI/ Government	Government of India
Issue/ Issue Size/ Initial Public Issue/ Initial Public Offering	Public issue of 11,37,000 Equity Shares of Rs 10/- each of Veeram Ornaments Limited for cash at a price of Rs 45/- per share, aggregating to Rs 511.65 Lakhs
IPO	Initial Public Offering
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 Account / Public Issue Account	Account opened with Bankers to the Issue for the purpose of transfer of monies from the Escrow Account on or after the Issue Opening Date.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants may submit their application.
Issue Price	The price at which the Equity Shares are being issued by our Company under this Draft Prospectus being Rs 45/- per Equity Share
Issue Agreement	The Agreement entered into between the Lead Manager and our Company dated this August 22, 2016.
Listing Agreement	Unless the context specifies otherwise, this means the SME Equity Listing Agreement to be signed between our Company and the SME Platform of BSE Limited.
LM / Lead Manager	Lead Manager to the Offer, in this case being Gretex Corporate Services Private Limited
Market Maker	[•]
Market Making Agreement	The agreement entered into between the Lead Manager, Market Maker, and our Company dated August 22, 2016.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 10,80,000 Equity Shares of Rs. 10 each of M/s. Veeram Ornaments Limited at Rs.45 (including share premium of Rs. 35) per Equity Share aggregating to Rs. 486.00 Lakhs
Non-Institutional Applicants	All Applicants that are not Qualified Institutional Buyers or Individual Investors (but not including NRIs other than Eligible NRSs).
Qualified Institutional Buyers / QIBs	A Mutual Fund, Venture Capital Fund and Foreign Venture Capital investor registered with the Board, a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the Board; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of Rs. 25.00 Crore; a pension fund with minimum corpus of Rs. 25.00 Crore rupees; National Investment Fund set up by resolution No. F. No. 2/3/2005 - DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.
Refund Account	Account opened / to be opened with a SEBI Registered Banker to the Offer from which the refunds of the whole or part of the Application Amount (excluding to the ASBA Applicants), if any, shall be made.
Refund Bank	[•]
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit or RTGS or NEFT or the ASBA process, as applicable
Registrar/ Registrar to the	Karvy Computershare Private limited

Offer	
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs. 2,00,000/-.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares in any of their Application Forms or any previous Revision Form(s)
SCSB	A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at <a href="http://www.sebi.gov.in/pmd/scsb.pdf">http://www.sebi.gov.in/pmd/scsb.pdf</a> .
SME Platform of BSE	The SME Platform of BSE for listing of equity shares offered under Chapter X-B of the SEBI (ICDR) Regulations which was approved by SEBI as an SME Exchange on September 27, 2011.
Underwriters	Gretex Corporate Services Private limited and [●].
Underwriting Agreement	The Agreement entered into between the Underwriters and our Company dated [●].
Working Days	Working days shall be all trading days of stock exchanges excluding Sundays and bank holidays (in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 DATED January 21, 2016.

#### Company Related Terms

Terms	Description
'Veeram Ornaments Limited' / 'VOL' / 'We' / 'us' / 'our Company' / 'the Company' / 'the Issuer'	Unless the context otherwise requires, refers to Veeram Ornaments Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at Shop No. 2, Naroda Pride, Nr. Padmavati Society, Naroda-Nikol Road, Ahmedabad - 382350, Gujarat.
Articles / Articles of Association / AoA	Unless the context otherwise requires, refers to the Articles of Association of Veeram Ornaments Limited, as amended from time to time.
Auditors/ Statutory of the Company	The Statutory Auditors of our Company being M/S Dhaval Padiya & Company
Audit Committee	The committee of the Board of Directors constituted as the Company's Audit Committee in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to be entered into with the BSE.
Board of Directors / Board	The Board of Directors of our Company, including all duly constituted Committee(s) thereof.
CIN	Corporate Identity Number
Director (s)/ Directors of our Company	Directors of our Company unless otherwise specified
DIN	Directors Identification Number
Executive Directors	Managing Director and Whole Time Director
Equity Shares	Equity Shares of the Company Face Value of Rs.10/- each unless otherwise specified in the context thereof.
Group Companies	Group companies shall mean companies, firms, ventures promoted by the Promoters of our Company irrespective of whether such entities are covered under Companies Act, or not and disclosed in ' <i>Our Group Entities</i> ' beginning on page 137 of this Draft Prospectus.
General Information Document (GID)	The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by the SEBI.
HUF	Hindu Undivided Family.
ISIN	International Securities Identification Number. In this case being [●]

Key Managerial Personnel / KMP	The personnel listed as Key Managerial Personnel in the chapter titled ' <i>Our Management</i> ' beginning on page 120 of this Draft Prospectus
IT Act	The Income Tax Act, 1961 as amended till date.
Indian GAAP	Generally Accepted Accounting Principles in India.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Veeram Ornaments Limited
Non Residents	A person resident outside India, as defined under Foreign Exchange Management Act ,1999
NRIs / Non-Resident Indians	A person resident outside India, as defined under Foreign Exchange Management Act , 1999
Promoter/ Promoters of our Company	Mrs. Pinalben Rakshitbhai Shah and Mr. Rakshit Mahendra Shah.
Promoter Group	Unless the context otherwise requires, refers to such persons and entities constituting the Promoter Group of our Company in terms of Regulation 2(1)(zb) of the SEBI (ICDR) Regulations, 2009 and as disclosed in ' <i>Our Promoters and Promoter Group</i> ' beginning on page 133 of this Draft Prospectus.
Peer Review Auditor	Independent Auditor having a valid Peer Review certificate in our case being M/S Devpura Navlakha & Company, Chartered Accountants
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
Registered Office	The Registered Office of our Company which is located at Shop No. 2, Naroda Pride, Nr. Padmavati Society, Naroda-Nikol Road, Ahmedabad - 382350, Gujarat.
RoC/ Registrar of Companies	Registrar of Companies, Gujarat India
Stock Exchange	Unless the context requires otherwise, refers to, the SME Platform of BSE Limited
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI (ICDR) Regulations /ICDR Regulation/ Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009as amended, including instructions and clarifications issued by SEBI from
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
SEBI Listing Regulations, 2015/SEBI Listing Regulations/Listing Regulations/SEBI (LODR)	The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
Sub- Account	Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
SICA	Sick Industrial Companies (Special Provisions) Act 1985

#### Technical Terms/ Industry Related Terms/ Abbreviations

Term	Description
AAI	Airports Authority of India
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
BG	Bank Guarantee

BIS	Bureau of Indian Standards
Bn	Billion
BPO	Business Process Outsourcing
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CDIT	Consumer Durables & IT
CEA	Central Electricity Authority
C&F	Clearing & Forward Agents
CFO	Chief Financial Officer
CII	Confederation of Indian Industry
CIN	Company Identification Number
CIT	Commissioner of Income Tax
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion
DP	Depository Participant
DP ID	Depository Participant's Identity
DB	Designated Branch
EBITDA	Earnings before Interest , Depreciation , Tax and Amortization
EBOs	Exclusive Brand Outlets
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EOU	Export Oriented Unit
EPS	Earnings Per Share
EPZ	Export Processing Zone
F&NG	Father and Natural Guardian
FDI	Foreign Direct Investment
FICCI	Federation of Indian Chambers of Commerce and Industry
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FIIs	Foreign Institutional Investor, as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time and registered with the SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
FTWZ	Free Trade and Warehousing Zone
FY/ Fiscal/ Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GBS	Gross Budgetary Support
GDP	Gross Domestic Product
G&J	Gems and Jewellery
GoI/ Government	Government of India
GST	Goods and Service tax
GQ	Golden Quadrilateral
HUF	Hindu Undivided Family
IMF	International Monetary Fund
I.R.	Internal resources
I.T. Act	Income Tax Act, 1961, as amended from time to time
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries Of India
IEBR	Internal resources and Extra-Budgetary Resources
IT	Information Technology
Km	Kilometres
LC	Letter of Credit
LSTK	Lump Sum Turnkey
MAPIN	Market Participants and Investors' Integrated Database

Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India(Merchant Bankers) Regulations, 1992
MHUD	Ministry of Housing and Urban Development
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NHAI	National Highway Authority of India
NHDP	National Highway Development Projects
NPV	Net Present Value
NRE Account	Non Resident External Account
NRIs	Non Resident Indians
NRO Account	Non Resident Ordinary Account
NSDC	National Skill Development Council
NSDL	National Securities Depository Limited
NS-EW	North, South, East, West
O&M	Operations and Maintenance
OCB	Overseas Corporate Bodies
p.a.	per annum
P/E Ratio	Price/ Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PE	Private Equity
PPP	Public Private Partnership
QIC	Quarterly Income Certificate
RACF	Regional Air Connectivity Fund
RBI	The Reserve Bank of India
ROE	Return on Equity
RONW	Return on Net Worth
Rs.	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
Sec.	Section
SEZ	Special Economic Zone
SOP	Standard Operating Procedure
SSI	Small Scale Industry
STT	Securities Transaction Tax
US/ United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the Unites States of America
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
VAT	Value Added Tax
WDV	Written Down Value
Working Days	All days except Saturday, Sunday and any public holiday

Notwithstanding the foregoing:

1. In the section titled '*Main Provision of the Articles of Association*' beginning on page 267 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that section;
2. In the chapters titled '*Summary of Our Business*' and '*Business Overview*' beginning on page 48 and 105 respectively, of this Draft Prospectus, defined terms shall have the meaning given to such terms in that section;
3. In the section titled '*Risk Factors*' beginning on page 13 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that section;
4. In the chapter titled '*Statement of Tax Benefits*' beginning on page 84 of this Draft Prospectus, defined terms shall have the meaning given to such terms in that section;

In the chapter titled '*Management's Discussion and Analysis of Financial Conditions and Results of Operations*' beginning on page 175 of this Draft Prospectus, defined terms shall have the meaning given to such terms in That section

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

### Certain Conventions

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

### Financial Data

Unless stated otherwise, the financial data in this Draft Prospectus is derived from our audited financial statements as on and for the Fiscal Years ended March 31, 2016, 2015, 2014, 2013 and 2012 and for three months period ended June 30, 2016 prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations and included in this Draft Prospectus. Our Fiscal Year commences on April 1 and ends on March 31 of the following year. In this Draft Prospectus, any discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Regulations on the financial disclosures presented in this Draft Prospectus should accordingly be limited. We have not attempted to explain the differences between Indian GAAP, U.S. GAAP and IFRS or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in the section titled “Risk Factors”, chapters titled “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page nos 13, 105 and 175 of this Draft Prospectus, respectively, and elsewhere in this Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our audited financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations.

### Currency, Units of Presentation and Exchange Rates

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

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

### Definitions

For definitions, please see the Chapter titled “Definitions and Abbreviations” on page no.1 of this Draft Prospectus. In the Section titled “Main Provisions of the Articles of Association” beginning on page no. 267 of this Draft Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

## **Industry and Market Data**

Unless stated otherwise, the industry and market data and forecasts used throughout this Draft Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Further, the extent to which the industry and market data presented in this Draft Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

## FORWARD-LOOKING STATEMENTS

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

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

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

- Our inability to manage our growth effectively, especially as we expand our storage capacity;
- Our inability to maintain or enhance our brand recognition;
- Our inability to retain the services of our senior management, key managerial personnel and capable employees;
- Our inability to renew rents for our Properties used for business activities or conduct new rent arrangements on commercially acceptable terms;
- Inability to adequately protect our trademarks;
- Changes in consumer demand;
- Failure to successfully upgrade our products and service portfolio, from time to time; and
- Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner.

For further discussions of factors that could cause our actual results to differ, please see the section titled “Risk Factors”, chapters titled “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page nos.13, 105 and 175 of this Draft Prospectus, respectively

By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Forward-looking statements speak only as of this Draft Prospectus. Our Company, our Directors, the Lead Manager, and their respective affiliates or associates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading approvals by the Stock Exchange.

## SECTION II - RISK FACTORS

### RISK FACTORS

An investment in equity securities involves a high degree of risk. You should carefully consider all of the information in this Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. You should read this section together with “Business Overview” and “Management's Discussion and Analysis of Financial Condition and Results of Operations” on pages 105 and 175, respectively, as well as the other financial and statistical information contained in this Prospectus.

Any of the following risks as well as the other risks and uncertainties discussed in this Prospectus could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of the Equity Shares to decline, which could result in the loss of all or part of your investment. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition.

This Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors. 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.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements under Indian GAAP, as restated in this Draft Prospectus. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviations” beginning on page 1 of this Draft Prospectus. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

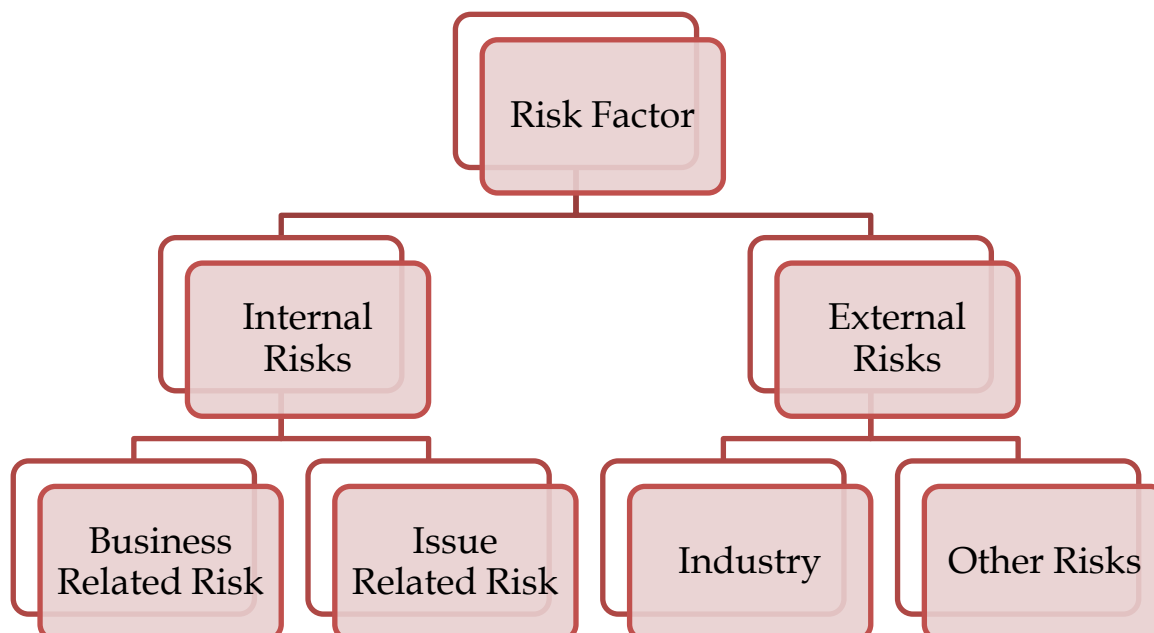
Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company used in this section is derived from our restated financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations. To obtain a better understanding, you should read this section in conjunction with the chapters titled “Business Overview” beginning on page 105, “Industry Overview” beginning on page 87 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 175 respectively, of this Draft Prospectus as well as other financial information contained herein.

#### **Materiality**

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

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

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



## Internal Risk Factors

### Business Related Risk

1. *We have substantial working capital requirements. We have not made any alternate arrangements for meeting our working 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, operations and financial performance.*

Our business requires a substantial amount of working capital, primarily to finance the purchase of inventory. Currently, our working capital requirements are met from internal accruals.

As on date, we have not made any alternate arrangements for meeting our working capital requirements for the objects of the issue. We meet our capital requirements through our bank finance, 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 issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans.

2. *Our Company had negative cash flow from operating activities, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.*

Cash-Flow from	June 30, 2016	March 31, 2016
Operating activities	23.00	296.34

3. *Our business depends on our ability to attract and retain skilled designers, craftsmen and sales personnel and competition for such personnel is intense. Failure to attract such personnel could materially and adversely affect our business, results of operations and financial condition.*

Our success depends on our ability to attract, hire, train and retain skilled designers, craftsmen and sales personnel. In the jewellery industry, the level and quality of sales personnel and customer service are key competitive factors and an inability to recruit, train and retain suitably qualified and skilled sales personnel could adversely impact our reputation, business prospects and results of operations. We have historically experienced difficulty in identifying, training and retaining sales personnel as the Indian retail industry in general, and the jewellery industry in particular, has experienced significant growth in recent years.

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

Our operations may be subject to incidents of theft or damage to inventory in transit, prior to or during showroom stocking and display. The industry also typically encounters some inventory loss on account of employee theft, shoplifting, vendor fraud, credit card fraud and general administrative error. Although till date we have never experienced any such instance, 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, losses due to theft, fire, breakage or damage caused by other casualties, could adversely affect our results of operations and financial condition.

5. *Our few Customers constitutes more than 91% of our total revenue from operations.*

Our four customers contribute more than 91% of our total revenue from operations for the year ended March 31, 2016. Any decline in our quality standards, growing competition and any change in the demand, growing competition 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, and the loss of business from one or more of them may adversely affect our revenues and results of operations. However, the composition and revenue generated from these customers might change as we continue to add new customers in the normal course of business. We believe that we not face substantial challenges in maintaining our business relationship with them or finding new customers.

6. *There are certain non compliances of Companies Act 2013 relating to forms filed with the Registrar of Companies, Statutory Register and Accounting Standard.*

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

- a. Error in filing of ROC Forms PAS 3
- b. Non compliance of Accounting Standard 18 in March 2016 and June 2016 financial statement

Such non-compliance may in the future render us liable to statutory penalties and disallowing the resolutions, which may have consequence of violation of statutory provisions

- 7. *If we fail to anticipate, identify or react appropriately or in a timely manner to trends in the jewellery industry, we could experience reduced consumer acceptance of our products, a diminished brand image, higher markdowns and costs to recast overstocked jewellery.***

Although we maintain a portfolio of designs, we cannot assure that we will always be able to consistently keep up with industry trends. If we fail to anticipate, identify or react appropriately or in a timely manner to customer buying decisions, we could experience reduced consumer acceptance of our products, a diminished brand image, higher markdowns and costs to recast overstocked jewellery. These factors could result in lower selling prices and sales volumes for our products, which could adversely affect our financial condition and results of operations.

- 8. *If we fail to manage growth effectively it could have an adverse effect on our results of operations.***

We believe our expansion plans will place significant demands on our managerial, operational and financial resources. Growth in our business would require us to expand, train and manage our employee base. Our expansion could also cause problems related to our operational and financial systems and controls and could cause us to encounter working capital issues, as we will need increased liquidity to finance the purchase of inventory, establishment of new showrooms and the hiring of additional employees. If we fail to manage our growth effectively it may lead to operational and financial inefficiencies that would have a negative effect on our results of operations.

- 9. *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 categorisation, 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.

- 10. *Our business experiences an increase in sales during seasons of weddings and festivals. Any substantial decrease in our sales during such periods would have a material adverse effect on our results of operations.***

Due to the higher demand for jewellery during weddings seasons and festivals such as Diwali, Gudi Padwa and Christmas, we can generate higher sales with higher profit margins at those times compared with other periods of the year. Historically, the descending order of profitability has generally been the third quarter, first quarter, fourth quarter and second quarter. Since overheads in the jewellery business are largely fixed, any substantial decrease in sales during wedding seasons and festival periods could have a material adverse effect on our financial condition and results of operations.

- 11. *Our success depends largely on our ability to attract and retain our key managerial personnel.***

Our success depends largely on the continued services of the members of our key managerial personnel. Attracting and retaining top quality managerial talent has become a serious challenge facing companies in India. If one or more members of our key managerial personnel were unable or unwilling to continue in their present positions, our business could be adversely affected.

**12. *Volatility in the market price of gold and diamonds has a bearing on the value of our inventory and could affect our income, profitability and scale of operations.***

The jewellery industry generally is affected by fluctuations in the price and supply of gold, diamonds and, to a lesser extent, other precious and semi-precious metals and stones. Gold prices have been volatile in the recent past, although, there has been an increased investment demand for gold globally. Fluctuations in gold prices may affect our results of operations in various ways. An increase in the price of gold may result in an increase in our income from sales assuming such increases do not adversely affect sales volumes. However, a significant increase in the price of gold or a negative outlook on future gold prices could, in the short term, adversely affect our sales volumes. Consequently, any such fluctuation in the price of gold, diamonds or other raw materials may materially and adversely affect our income, profitability and results of operations.

**13. *We do not register our jewellery designs under the Designs Act, 2000 and we may suffer loss of income if our designs are duplicated by our competitors***

We change our jewellery designs on a regular basis and do not register such designs under the Design Act, 2000. As such, it would be difficult for us to enforce our intellectual property rights in our designs and if our competitors copy our designs, in particular the designs of our products available on our website or the designs given to job-workers. If our competitors successfully copy our designs, we may suffer a loss of revenue, which could adversely affect our results of operations and financial condition.

**14. *The company has not registered any of its Trade Mark. The company in future may register it depending on the future requirements. Any delay in making an application and/or granting registration or in obtaining registration could result in loss of brand equity and the company's right to use the said brand.***

The company has not made an application to the Trade Mark Registry, Gujarat to register all its brands, company name-“Veeram Ornaments”. The company depending on the future requirements may make an application to the Trade Mark Registry, Gujarat to register its brand/logo. While filing application for registration if the same is not accepted or if the oppositions filed against the trademark application if any, are successful, our company may lose the statutory protection available to it under the Trade Marks Act, 1999 for such trademarks. For further details please refer to the chapter titled ‘Government and Other Statutory Approvals’ beginning on page no. 187 of the Draft Prospectus

**15. *We have not entered into any long-term contracts with any of our customers and orders are not backed-up by a letter of credit facility.***

We do not have any long-term contracts with our customers and any change in the buying pattern of the customers could adversely affect the business of our Company. Although we have satisfactory business relations with our customers, there is no certainty that the same will continue in the years to come and may affect our profitability.

**16. *The future operating results are difficult to predict and may fluctuate or adversely vary from the past performance.***

The company's operating results may fluctuate or adversely vary from past performances in the future due to a number of factors, many of which are beyond the company's control. The results of operations during any financial year or from period to period may differ from one another or from the expected results operation. Its business, results of operations and financial condition may be adversely affected by, inter alia, a decrease in the growth and demand for the jewellery offer by the company or decrease in the demand gold and silver, and any strategic alliances which may subsequently become a liability or non-profitable. Due to various reasons including the above, the future performance may fluctuate or adversely vary from our past performances and may not be predictable.

**17. *The Indian jewellery industry is extremely competitive.***

We operate in highly competitive and fragmented markets, and competition in these markets is based primarily on market trends and customer preferences. The Indian jewellery industry is highly fragmented and dominated by the unorganized sector, from which the organized retail jewellery sector faces intense competition. The players in the jewellery sector in India often offer their products at highly competitive prices and many of them are well established in their local markets. We also compete against other organized national, regional and local players. Aggressive discounting by competitors, particularly those facing financial pressures or holding “going out of business” sales, may force us to reduce our prices in order to remain competitive and may thereby adversely impact our results of operations. This is particularly the case for easily comparable pieces of jewellery, of similar quality, sold through showrooms that are situated near ours. The pricing of gold jewellery in particular is extremely competitive due to its objectively verifiable value. This result in us having limited control over our pricing of gold jewellery. There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations. For more information regarding our competitors, see “**Business Overview**” on page 105.

**18. *Failure to develop and introduce new jewellery designs that achieve customer acceptance could result in a loss of market opportunities.***

As on date, we have jewellery designing team of approximately five members at given point who are responsible for introducing new and innovative designs for our jewelries. Our business highly depends on innovative designs to meet the expectations of our customers. Development of new designs is subject to unpredictable and volatile factors beyond our control, including end user preferences and competing products. In addition, 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. We need to continuously invest in research and development to develop new and differentiated products for our customers. Further, some or all of such products may not provide adequate returns to commensurate with our investments. Our products could also be rapidly rendered obsolete by non-acceptance of such products. Unexpected technical, operational, deployment, distribution or other problems could delay or prevent the timely introduction of new products, which could result in a loss of market opportunities.

**19. *Our Company has not taken any insurance coverage which may protect us against certain operating hazards and from all losses and this may have an adverse impact on the financial conditions of the business.***

Our Company has not taken any insurance cover at present. Hence we may not be able to protect ourselves from any damage or loss suffered by us. To the extent that we suffer any loss or damage, the operational results of the company could be adversely affected. The company does not maintain a directors and officers liability insurance policy for the directors or key managerial personnel of the Company.

**20. *Our operations currently benefit from certain direct tax incentives. In the event we are unable to continue to benefit from such tax benefits, or other taxes applicable to us increase, our financial condition and results of operations may be adversely affected.***

Taxes and other levies imposed by the GoI or State Governments that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. Imposition of any other charges by the Central and the State Governments or increases in existing charges may adversely affect our results of operations.

**21. *Our business is subject to changes in tax rules and regulations or policies imposed by the Government of India or other State Governments that could adversely affect our business and financial condition and results of operations.***

The central and state tax scheme in India is subject to change from time to time. Any adverse change in Indian tax rules and regulations or policy may have an adverse effect on our business, financial condition and results of operations.

**22. *Our inability to manage growth could disrupt our business and reduce our profitability.***

Any organic growth in future and other acquisitions would place significant demands on its operational, financial and internal controls across the organization. In particular, continued expansion increases the challenges shall face in recruiting, training and retaining sufficient skilled, technical, sales and management personnel; adhering to its high quality and process execution standards; maintaining high levels of client satisfaction; managing a larger number of clients in a greater number of industry sectors; integrating expanded operations while preserving its culture, values and entrepreneurial environment; and developing and improving its internal administrative infrastructure, particularly its financial, operational, communications, and other internal systems. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

**23. *Delays or defaults in client payments could result in reduction of profits.***

The Company regularly commits resources to slew of projects prior to receiving advances or other payments from clients in amounts sufficient to cover expenditures on projects as it has incurred. It may be subject to working capital shortages due to delays or defaults in client payments. If clients default in their payments oproject to which the Company has devoted significant resources or if a project in which it has invested significant resources is delayed, cancelled or does not proceed to completion, it could have an adverse effect on the Company's business, financial condition and results of operations.

**24. *If we are unable to maintain existing and/or establish new arrangements with independent contractors who manufacture our products, our business could be adversely affected.***

We outsource the manufacture of our products to a network of independent contractors. We have not entered into written arrangements with any of these independent contractors, and there can be no assurance that these contractors will continue to be associated with us on reasonable terms, or at all. Further, since the independent contractors are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms to these independent contractors, which may cause them to prefer our competitors over us. Although we work closely with these independent contractors, we do not exercise control over them, and our arrangements with these independent contract manufacturers could involve various risks, including potential interruption to their operations for factors beyond their or our control, any significant adverse changes in their financial or business conditions, as well as low levels of output or efficiency.

**25. *Due to the geographic concentration of our sales in the western region of India, our results of operations and financial condition are subject to fluctuations in regional economic conditions.***

A significant percentage of our total sales are made in the western regions of India. Our concentration of sales in these regions heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in these regions.

***26. Demand for our products is subject to rapid and unpredictable changes in fashion trends and consumer preferences, and our inability to anticipate and address such changes may adversely affect our business prospects, results of operations and financial condition.***

The jewellery industry, like other luxury industries, is subject to rapid and unpredictable changes in fashion trends and customer preferences. Customer preferences for jewellery designs and types may vary significantly from region to region in India and in each of our international markets. Furthermore, the increasing popularity of branded jewellery merchandise may adversely impact our business prospects and revenues if we are unable to successfully design, manufacture and market branded jewellery. Our inability to anticipate, identify and react appropriately or in a timely manner to customer preferences, or failure to develop and implement customer oriented sales policies that influence customer purchase decisions, could result in a decrease in consumer acceptance of our products, a diminished brand image and market share, which could result in lower profits. These changes can adversely affect our business prospects, results of operations and financial condition.

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

For our wholesales operations, our results of operations are dependent on our ability to effectively manage our inventory. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and purchase new inventory accordingly. If our management has misjudged expected customer demand it could adversely impact the results by causing either a shortage of merchandise or an accumulation of excess inventory. Further, if we fail to sell the inventory we manufacture or purchase, we may be required to recycle our inventory, which would have an adverse impact on our income and cash flows.

***28. The requirements of being a listed company may strain our resources.***

We have no experience as a publicly listed company and have not been subjected to increased disclosure requirements and the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will also be subject to the provisions of the listing agreements signed with the Stock Exchanges which require us to file unaudited financial results on a quarterly basis within specified timelines. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. In addition, we may need to engage additional legal and accounting personnel with appropriate experience and technical accounting knowledge, resulting in increased costs, and we cannot assure you that we will be able to do so in a timely manner, or, at all.

***29. The Net Proceeds and our internal accruals may be inadequate to meet the Objects of the Issue in the event of any cost overruns, unforeseen contingencies, or any increase in the fund requirements of our expansion plans and our Company may not be able to raise additional capital to fund our expansion, which could adversely affect our business and results of operations.***

We intend to utilize the Net Proceeds in entirety for the purposes described in the “**Objects of the Issue**” on page 75. Any shortfall in the Net Proceeds is intended to be financed from internal accruals, through cash flows from our operations, and as such we do not need to make any alternate arrangements for funds for our Objects of the Issue. In the event of any cost overruns, unforeseen contingencies, or any increase in the fund requirements of our expansion plans, there can be no assurance that the Net Proceeds and our internal accruals will be adequate to fund our expansion plans, as has been disclosed in the “**Objects of the Issue**”. Accordingly, we may have to raise additional funds through incremental debt, which may not be available to us on commercially acceptable terms, or at all. Further, any delay in raising the funds through the Issue may adversely affect the implementation of our expansion plans and financial condition and results of operation of our Company.

- 30. *The objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution. The deployment of funds in the project is entirely at the discretion of our management and shall be in compliance of Section 27 of the Companies Act 2013. Any revision in the estimates may require us to reschedule our project expenditure and may have a bearing on our expected revenues and earnings.***

Our funding requirements and the deployment of the proceeds of the Issue are purely based on our management's estimates and have not been appraised by any bank or financial institution. Our Company may have to revise such estimates from time to time and consequently our funding requirements may also change. Our estimates for expansion may exceed the value that would have been determined by third party appraisals and may require us to reschedule our expenditure which may have a bearing on our expected revenues and earnings. Further, the deployment of the funds towards the objects of the Issue is entirely at the discretion of our management and is not subject to monitoring by any external independent agency. However, the deployment of funds is subject to monitoring by our Audit Committee and shall be in compliance of Section 27 of the Companies Act 2013.

Any variation in Objects of the Issue shall be in compliance with section 27 of the Companies Act, 2013, i.e. subject to the approval of, or except subject to an authority given by the company in general meeting by way of special resolution. Provided that the details, as may be prescribed, of the notice in respect of such resolution to shareholders, shall also be published in the newspapers (one in English and one in vernacular language) in the city where the registered office of our company is situated indicating clearly the justification for such variation.

We further confirm that our company shall not use any amount raised by it through prospectus for buying, trading or otherwise dealing in equity shares of any other listed company.

The dissenting shareholders being those shareholders who have not agreed to the proposal to vary the terms of contracts or objects referred to in the prospectus, shall be given an exit offer by promoters or controlling shareholders at such exit price, and in such manner and conditions as may be specified by the Securities and Exchange Board of India.

- 31. *Our industry is labour intensive and our business operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.***

We believe that the Indian jewellery industry faces competitive pressures in recruiting and retaining skilled and unskilled labour. Our industry being labour intensive is highly dependent on labour force for carrying out its manufacturing operations. Shortage of skilled/unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. We have not experienced any major disruptions in our business operations due to disputes or other problems with work force of our third party manufacturers in the past, however there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

- 32. *Our sales are on credit basis and hence receivables may be converted into bad debts due to change in economic conditions or our client's inability to pay***

Generally, our some parts of our sales are on credit basis. Any changes in general economic conditions or clients inability to pay may hamper our receivables and could in turn have an adverse effect on our sales. Furthermore, any downturn in general or local economic conditions in the markets in which we operate may affect our credit terms, thereby affecting our sales. It would also adversely affect the collection of outstanding credit accounts receivable, the net bad debt charge and hence income.

**33. *We do not own the Registered Office of Our Company from which we operate.***

We do not own the Registered Office of our Company from which we operate. Our registered office is taken on lease basis.

**34. *We have entered into certain related party transactions (aggregating to Rs 120.33 Lakhs and we expect that we will continue to do so in the future.***

We have entered into certain transactions with related parties, including our Promoters, Promoter Group Companies and Subsidiaries, Directors and their relatives, key management personnel and enterprises in which key management personnel/Directors have significant influence. These related party transactions Rs 120.33 lakhs. For detailed information on our related party transactions, see the section titled “Financial Statements- While we believe that all our related party transactions have been conducted on, and have commercial terms consistent with, an arm’s length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition and results of operations.

**35. *Conflicts of interest may arise out of common business undertaken by our Directors, our Promoters and Group Entities.***

Our Group Entity, M/s. Jinashi Glitter & Glitz is carrying out business similar to that of our Company. Our Managing Director is also Promoter and Director of Darshan Orna Ltd. As a result, conflicts of interests may arise in allocating business opportunities amongs our Company, Our Promoter, Directors and Group Entity in circumstances where our respective interest diverge. In case of conflict, our Promoters may favor other companies in which pur Promoters have interests. There can be no assurance that our Promoters, our Group Entities, Directors 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.

**36. *We require certain approvals, permits and licenses in the ordinary course of business, and any failure or delay to obtain or renew them may adversely affect our operations.***

We require certain statutory and regulatory permits and approvals for our business. Additionally, we may need to apply for more approvals in the future including renewal of approvals that may expire from time to time. There can be no assurance that the relevant authorities will issue such permits or approvals in the timeframe anticipated by us or at all. Failure by us to renew, maintain or obtain the required permits or approvals within the requisite time may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations. Further, these permits, licenses and approvals are subject to several conditions, and we cannot assure you that we shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, which may lead to cancellation, revocation or suspension of relevant permits/licenses/approvals. Any such failure or delay in obtaining such approvals, permits and licenses may affect our ability to procure gold on lease or cause us to default on our existing gold loan agreements, which may in turn have an adverse effect on our business and results of operations. The following are the approvals that we have applied for and have not been obtained yet:

SR No	Particulars	Authority	Application No. / Acknowledgement No	Date of Application
1	Application for new PAN Card in the name of Verram Ornaments Ltd	Income Tax Department, Government of India	N - 022999700956050	27th July, 2016
2	Registration for Value Added Tax	The Gujarat Value Added Tax Rules, 2006	9EA00056272	22 <sup>nd</sup> August, 2016

Although we believe that our operations are in material compliance with applicable laws and regulations, regulatory authorities may allege non-compliance and may subject us to regulatory action in the future, including penalties and other legal proceedings. Further, due to the possibility of unanticipated regulatory developments, the amount and timing of future expenditure to comply with these regulatory requirements may vary substantially from those currently in effect.

***37. Negative publicity with respect to our products or the industry in which we operate could adversely affect our business, financial condition and results of operations.***

Our business is dependent on the trust our customers have in the quality of our merchandise. Any negative publicity regarding our Company, our products or the jewellery industry generally could adversely affect our reputation and our results of operations. Customer preferences could be affected by a variety of issues including non-acceptance of diamonds from specific regions, non-promotion of jewellery by the fashion industry, and a decrease in the perceived value and customer satisfaction of the jewellery compared to its price.

***38. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures and the terms of our financing arrangements.***

We have not paid any dividends in the past and there can be no assurance that we will pay dividends in the future. The declaration of dividends would be recommended by our Board of Directors, at its sole discretion, and would depend upon a number of factors, including Indian legal requirements, our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. Our business is working capital intensive.

***39. 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 and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

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

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

## Risks Related to Issue

- 41. *An active trading market for the Equity Shares may not develop and the price of the Equity Shares may be volatile.***

Prior to the Issue, there has been no public market for the Equity Shares. An active public trading market for the Equity Shares may not develop or, if it develops, may not be maintained after the Issue. The Issue Price may be higher than the trading price of the Equity Shares following the Issue. As a result, investors may not be able to sell their Equity Shares at or above the Issue Price or at the time that they would like to sell. The trading price of the Equity Shares after the Issue may be subject to significant fluctuations and be influenced by many factors, including:

Our financial results and the financial results of the companies in the businesses we operate in; the history of, and the prospects for, our business and the sectors and industries in which we compete; an assessment of our management, our past and present operations, and the prospects for, and timing of, our future revenues and cost structures; the present state of our development; the valuation of publicly traded companies that are engaged in business activities similar to ours, economic conditions in India; the volatility of the BSE, NSE and securities markets elsewhere in the world; the performance of our competitors and the perception in the market about investments in the retail industry adverse media reports on us or the Indian retail industry; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India's economic liberalization, taxation and deregulation policies; and significant developments in India's fiscal and environmental regulations.

There can be no assurances that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequently. In addition, the Indian stock market has from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects.

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

Following the Issue, we will be subject to a daily "circuit breaker" imposed by all stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges will not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

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

The Issue Price of our Equity Shares has been determined by fixed price method. This price is based on numerous factors (For further information, please refer chapter titled "Basis for Issue Price" beginning on page 81 of this Draft Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

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

**44. *There is no guarantee that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all.***

In accordance with Indian law and practice, permission to list the Equity Shares will not be granted until after the Equity Shares have been issued and allotted. Approval will require all other relevant documents authorising the issuing of our Equity Shares to be submitted. There could be a failure or delay in listing our Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

In addition, pursuant to India regulations, certain actions are required to be completed before the Equity Shares can be listed and trading may commence. Investors' book entry or dematerialized electronic accounts with depository participants in India are expected to be credited only after the date on which the issue and allotment is approved by our Board of Directors. There can be no assurance that the Equity Shares allocated earlier to Investors will be credited to their dematerialized electronic accounts, or that trading will commence on time after Allotment has been approved by our Board of Directors, or at all.

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

The Equity Shares will be listed on the Stock Exchange. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. We cannot assure you that the Equity Shares will be credited to investor's demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in the Prospectus. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares. In accordance with section 40 of the Companies Act, 2013, in the event that the permission of listing the Equity Shares is denied by the stock exchanges, we are required to refund all monies collected to investors.

**46. *Any Substantial future sales of our Equity Shares in the public market could cause our Equity Share price to fall.***

The Equity Shares offered in this Issue will be freely tradable without restriction in the public market, unless purchased by our affiliates. The holders of 20,88132 Equity Shares will be entitled to dispose of their Equity Shares following the expiration of a one year 'lock-in' period. Sales of a large number of our Equity Shares by our shareholders could adversely affect the market price of our Equity Shares. In addition, any perception by investors that such sales might occur could also adversely affect the trading price of our Equity Shares.

**47. *Economic developments and volatility in securities markets in other countries may cause the price of the Equity Shares to decline.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investor's reactions to developments in one country may have adverse effects on the market price of securities of companies situated in other countries, including India. For instance, the recent financial crisis in the United States and European countries led to a global financial and economic crisis that adversely affected the market prices in the securities markets around the world, including Indian securities markets. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

The Indian stock exchanges have experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

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

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

## **External Risk Factors**

### ***Industry Risks***

***49. Jewellery purchases are discretionary and are often perceived to be a luxury purchase. Any factor which may bring discretionary spending by consumers under pressure may adversely affect our business, results of operations and financial condition.***

Jewellery purchases are typically high-value, luxury purchases and depend on consumers' discretionary spending power. Various factors affect discretionary consumer spending, including economic conditions, perceptions of such conditions by consumers, economic outlook, employment, the level of consumers' disposable income, the savings ratio, business conditions, inflation levels, interest rates, consumer debt and asset values, availability of credit and levels of taxation, among others.

Most of our customers are individuals who purchase jewellery for personal use and who are generally less financially resilient than corporate entities. Additionally, gold and diamond jewellery is not perceived to be a necessity which may result in a significant fall in demand in the case of adverse economic conditions as opposed to demand for those goods that are perceived as a necessity. Any such fall in demand or a decline in the general economic conditions in India or our international markets or conditions which may bring discretionary spending by consumers under pressure could adversely affect our business, financial condition and results of operations.

***50. Jewellery purchases are discretionary and may be particularly affected by adverse trends in the Indian economy.***

The success of our operations depends to a significant extent upon a number of factors relating to discretionary consumer spending in India. These factors include economic conditions and perceptions of such conditions by consumers, employment rates, the level of consumers' disposable income, business conditions, interest rates, consumer debt levels, availability of credit and levels of taxation in regional and local markets in India where we sell our products. There can be no assurance that consumer spending on jewellery will not be adversely affected by adverse changes in general economic conditions in India.

### ***Other Risks***

***51. Civil unrest, acts of violence including terrorism or war involving India and other countries could materially and adversely affect the financial markets and our business.***

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. Terrorist attacks and other acts of violence may adversely affect the Indian stock markets, where our Equity Shares will trade, and the global equity markets generally.

**52. *The retail sector is subject to extensive foreign exchange regulations.***

The retail sector in India is regulated by the GoI, State Governments and local authorities. Further, investments made by non-residents into India are governed by the Foreign Exchange Management Act, 1999 and the rules and regulations thereunder and the Consolidated Foreign Direct Investment Policy issued by the Department of Industrial Policy and Promotion effective from April 10, 2012 ("**FDI Policy**"). According to recent notifications issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI, foreign direct investment ("**FDI**") has now been permitted in the Indian multi-brand retail trading industry up to a maximum of 51.0%, with prior Governmental approval and subject to the satisfaction of certain conditions. Further, under the FDI Policy, FDI in the Indian single-brand retail is permitted up to 100% of such company's paid-up share capital, with prior Governmental approval, subject to the satisfaction of certain conditions. International jewellery retailers, with greater resources and brand recognition, may now consider establishing stores in India. This may have an adverse impact on our business, results of operations and financial condition.

Furthermore, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. Limitations on debt in foreign currencies may have an adverse effect on our business growth, financial condition and results of operations.

**53. *There could be political, economic or other factors that are beyond our control but may have a material adverse impact on our business and results of operations should they materialize.***

The following external risks may have a material adverse impact on our business and results of operations should any of them materialize:

- Political instability, a change in the Government or a change in the economic and deregulation policies or a change in taxation policies and regulations could adversely affect economic conditions in India in general and our business in particular;
- A slowdown in economic growth in India could adversely affect our business and results of operations. The growth of our business and our performance is linked to the performance of the overall Indian economy. We are also impacted by consumer spending levels and businesses such as ours would be particularly affected should Indian consumers in our target segment have reduced access to disposable income;
- Civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war involving India or other countries could materially and adversely affect the financial markets which could impact our business. Such incidents could impact economic growth or create a perception that investment in Indian companies involves a higher degree in risk which could reduce the value of the Equity Shares;
- Natural disasters in India may disrupt or adversely affect the Indian economy, the health of which our business depends on;
- Any downgrading of India's sovereign rating by international credit rating agencies may negatively impact our business and access to capital. In such event, our ability to grow our business and operate profitably would be severely constrained;
- Instances of corruption in India have the potential to discourage investors and derail the growth prospects of the Indian economy. Corruption creates economic and regulatory uncertainty and could have an adverse effect on our business, profitability and results of operations; and
- The Indian economy has had sustained periods of high inflation. Should inflation continue to increase sharply, our profitability and results of operations may be adversely impacted. High rates of inflation in India could increase our employee costs, decrease the disposable income available to our customers and decrease our operating margins, which could have an adverse effect on our profitability and results of operations.

**54. *The proposed adoption of IFRS could result in our financial condition and results of operations appearing materially different than under Indian GAAP.***

Public companies in India, including us, may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, IFRS announced by the Ministry of Corporate Affairs, GoI (“MCA”), through a press note dated January 22, 2010. The MCA through a press release dated February 25, 2011, announced that it will implement the converged accounting standards in a phased manner after various issues including tax-related issues are resolved. The MCA is expected to announce the date of implementation of the converged accounting standards at a later date. Our financial condition, results of operations, cash flows or changes in shareholders equity may appear materially different under IFRS than under Indian GAAP. This may have a material adverse effect on the amount of income recognized during that period and in the corresponding period in the comparative fiscal year/period.

In addition, in our transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, our transition may be hampered by increasing competition and increased costs for the relatively small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements.

**55. *We cannot guarantee the accuracy of facts and other statistics with respect to India, the Indian economy and the Indian jewellery sector contained in this Draft Prospectus.***

Facts and other statistics in this Draft Prospectus relating to India, the Indian economy and the Indian jewellery industry have been derived from various publications that we believe to be reliable. However, we cannot guarantee the quality or reliability of such source of materials. While we have taken reasonable care in the reproduction of the information, the same has not been prepared or independently verified by us, the LMs, or any of our or their respective affiliates or advisers and, therefore, we make no representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside India. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. In all cases, investors should give consideration as to how much weight or importance they should attach to or place on such facts or statistics.

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

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures in offer document, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. To ensure compliance with the requirements of the Companies Act, 2013, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to limited jurisprudence on them. In the event, our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. We may face difficulties in complying with any such overlapping requirements. Further, we cannot currently determine the impact of provisions of the Companies

Act, 2013 which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

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

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realised on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax ("STT") has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of shares held for a period of 12 months or less will be subject to capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other.

**58. *Economic developments and volatility in securities markets in other countries may cause the price of the Equity Shares to decline.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investor's reactions to developments in one country may have adverse effects on the market price of securities of companies situated in other countries, including India. For instance, the recent financial crisis in the United States and European countries lead to a global financial and economic crisis that adversely affected the market prices in the securities markets around the world, including Indian securities markets. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

The Indian stock exchanges have experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

**59. *A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.***

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of us. Under the takeover regulations in India, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the Indian takeover regulations.

**60. *In future the company may depend on banks and financial institutions and other sources for meeting its short and medium term financial requirements.***

Any delay in the disbursement of funds from these bodies can act as a bottleneck to the project execution capabilities and thereby its results of operations. The company cannot assure that it will be able to do so on commercially reasonable terms. Any increase in interest expense may have a material adverse effect on its business prospects, financial condition and results of operations.

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

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

**62. *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, tsunami, 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.

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

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

## PROMINENT NOTES

1. Public Issue of 11,37,000 Equity Shares of face value of Rs. 10/- each of our Company for cash at a price of Rs. 45/- per Equity Share (including a share premium of Rs. 35/- per equity share) ("Issue Price") aggregating upto Rs. 511.65 lakhs, of which 57,000 Equity Shares of face value of Rs. 10/- each will be reserved for subscription by Market Maker to the Issue ("Market Maker Reservation Portion"). The Issue less the Market Maker Reservation Portion i.e. Net Issue of 10,80,000 Equity Shares of face value of Rs. 10/- each is hereinafter referred to as the "Net Issue". The Issue and the Net Issue will constitute 94.99% and 5.01% respectively of the post Issue paid up equity share capital of the Company.
2. The pre-issue net worth of our Company was Rs. 331.96 lakhs, Rs. 308.29 lakhs, Rs. 1.46 lakhs, Rs. 1.16 lakhs, Rs 0.82 lakhs and Rs 0.78 lakhs as of June 30, 2016, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 respectively. For more information, please refer to section titled "Financial Statements" beginning on page 143 of this Draft Prospectus.
3. Investors may contact the Lead Manager or the Company Secretary & Compliance Officer for any complaint/clarification/information pertaining to the Issue. For contact details of the Lead Manager and the Company Secretary & Compliance Officer, please refer to chapter titled "General Information" beginning on page 54 of this Draft Prospectus.
4. The average cost of acquisition per Equity Share by our Promoters is set forth in the table below:

5.

Name of the Promoters	No of shares held	Average cost of Acquisition
Pinal Rakshit Bhai Shah	9,22,845	15.89
Rakshit Mahendra Shah	7,24,111	10.56

6. For details on related party transactions and loans and advances made to any company in which Directors are interested, please refer Annexure - IV "Related Party Transaction" beginning on page 153 under chapter titled "Financial Statements as restated" beginning on page 143 of this Draft Prospectus.
7. Investors may note that in case of over-subscription in the Issue, allotment to Retail applicants and other applicants shall be on a proportionate basis. For more information, please refer to the chapter titled "Issue Structure" beginning on page 209 of this Draft Prospectus. Except as disclosed in the chapter titled "Capital Structure", "Our Promoter and Promoter Group", "Our Management" and "Related Party Transaction" beginning on pages 60, 133, 120 and 153 respectively, of this Draft Prospectus, none of our Promoters, Directors or Key Management Personnel has any interest in our Company.
8. Except as disclosed in the chapter titled "Capital Structure" beginning on page 60 of this Draft Prospectus, we have not issued any Equity Shares for consideration other than cash.
9. Trading in Equity Shares of our Company for all investors shall be in dematerialized form only.
10. Investors are advised to refer to the chapter titled "Basis for Issue Price" beginning on page 81 of the Draft Prospectus.

## SECTION III - INTRODUCTION

### SUMMARY OF INDUSTRY OVERVIEW

#### The Global Economy

##### Overview

Although financial markets have recovered most or all of the ground lost in the first quarter of 2016, global economic recovery has slowed due to fear of weakening of the Chinese economy and signs of distress in other large emerging markets, including from falling commodity prices and oil prices. According to the International Monetary Fund (the "IMF"), the baseline projection for global growth in 2016 is 3.2%, broadly in line with last year. The projected pickup in growth in 2017 (3.5%) hinges on rising growth in emerging market and developing economies, as growth in advanced economies is expected to remain modest. (Source: International Monetary Fund, World Economic Outlook, April 2016 (the "IMF Report")).

While growth in the emerging market still accounts for the majority of projected world growth in 2016, prospects across countries remain uneven and generally weaker than over the past two decades. In particular, a number of large emerging markets – including Brazil and Russia – are still mired in deep recessions. Others, including several oil-exporting countries, also face a difficult macroeconomic environment with sharply weaker terms of trade and tighter external financial conditions. (Source: IMF Report)

The real gross domestic product ("GDP") growth rates and expected real GDP growth rates for certain developed and developing economies are set out below:

Countries	2012	2013	2014	2015	2016	2017	2018
Brazil	1.9	3.0	0.1	-3.8	-3.8	0.0	2.0
China	7.7	7.7	7.3	6.9	6.5	6.2	6.0
Germany	0.6	0.4	1.6	1.5	1.5	1.6	1.2
<b>India</b>	<b>5.6</b>	<b>6.6</b>	<b>7.2</b>	<b>7.3</b>	<b>7.5</b>	<b>7.5</b>	<b>7.8</b>
Italy	-2.8	-1.7	-0.3	0.8	1.0	1.1	0.8
Russia	3.5	1.3	0.7	-3.7	-1.8	0.8	1.5
United Kingdom	1.2	2.2	2.9	2.2	1.9	2.2	2.1
United States of America	2.2	1.5	2.4	2.4	2.4	2.5	2.0

Source: IMF Report

#### The World Economy:

1. **IMF views on Global growth:** The global recovery has weakened further amid increasing financial turbulence. Activity softened toward the end of 2015 in advanced economies, and stresses in several large emerging market economies showed no signs of abating. Adding to these headwinds are a) concerns about the global impact of the unwinding of prior excesses in China's economy, as it transitions to a more balanced growth path after a decade of strong credit and investment growth, and b) signs of distress in other large emerging markets, including from falling commodity prices. With heightened risk aversion and increasing concerns about the lack of policy space, the valuation of risky assets as well as oil prices dropped sharply in early 2016. However, market sentiment began to improve in mid-February, and by the end of March 2016 market valuations had recovered most of or all the ground lost earlier in the year
2. **IMF views on growth in Advanced Economies:** Growth in advanced economies is projected to remain modest, in line with 2015 outcomes. Unfavourable demographic trends, low productivity growth, and legacies from the global financial crisis continue to hamper a more robust pickup in activity. While very accommodative monetary policy and lower oil prices will support domestic demand, still-weak external demand, further exchange rate appreciation – especially in the United States – and somewhat

tighter financial conditions will weigh on the recovery. In the euro area, the risk of a de-anchoring of inflation expectations is a concern amid large debt overhangs in several countries.

3. **IMF views on growth in Developing Countries:** While growth in emerging market and developing economies still accounts for the lion's share of projected world growth in 2016, prospects across countries remain uneven and generally weaker than over the past two decades. In particular, a number of large emerging markets—including Brazil and Russia—are still mired in deep recessions. Others, including several oil-exporting countries, also face a difficult macroeconomic environment with sharply weaker terms of trade and tighter external financial conditions. Growth in China and India has been broadly in line with projections, but trade growth has slowed down noticeably. The trade slowdown is related to the decline in investment growth across emerging market economies, which reflects rebalancing in China but also the sharp scaling down of investment in commodity exporters, particularly those facing difficult macroeconomic conditions.
4. **IMF views on India:** In India, growth is projected to notch up to 7.5 percent in 2016–17, as forecast in October. Growth will continue to be driven by private consumption, which has benefited from lower energy prices and higher real incomes. With the revival of sentiment and pickup in industrial activity, a recovery of private investment is expected to further strengthen growth.

**Exhibit 1: Overview of the World Economic Outlook Projections: April 2016**

	Year over Year					
	2014	2015	Projections		Difference from January 2016 WEO Update <sup>1</sup>	
			2016	2017	2016	2017
<b>World Output <sup>2</sup></b>	<b>3.4</b>	<b>3.1</b>	<b>3.2</b>	<b>3.5</b>	-0.2	-0.1
<b>Advanced Economies</b>	<b>1.8</b>	<b>1.9</b>	<b>1.9</b>	<b>2</b>	-0.2	-0.1
United States	2.4	2.4	2.4	2.5	-0.2	-0.1
Euro Area	0.9	1.6	1.5	1.6	-0.2	-0.1
Germany	1.6	1.5	1.5	1.6	-0.2	-0.1
France	0.2	1.1	1.1	1.3	-0.2	-0.2
Italy	-0.3	0.8	1.0	1.1	-0.3	-0.1
Spain	1.4	3.2	2.6	2.3	-0.1	0.0
Japan	0.0	0.5	0.5	-0.1	-0.5	-0.4
United Kingdom	2.9	2.2	1.9	2.2	-0.3	0.0
Canada	2.5	1.2	1.5	1.9	-0.2	-0.2
Other Advanced Economies <sup>2</sup>	2.8	2.0	2.1	2.4	-0.3	-0.4
<b>Emerging Market and Developing Economies</b>	<b>4.6</b>	<b>4.0</b>	<b>4.1</b>	<b>4.6</b>	-0.2	-0.1
Emerging and Developing Asia	6.8	6.6	6.4	6.3	0.1	0.1
ASEAN-5 <sup>4</sup>	4.6	4.7	4.8	5.1	0.0	0.0
Emerging and Developing Europe	2.8	3.5	3.5	3.3	0.4	-0.1
<b>BRICS Nations</b>						
Brazil	0.1	-3.8	-3.8	0.0	-0.3	0.0
Russia	0.7	-3.7	-1.8	0.8	-0.8	-0.2
<b>India <sup>3</sup></b>	<b>7.2</b>	<b>7.3</b>	<b>7.5</b>	<b>7.5</b>	0.0	0.0
China	7.3	6.9	6.5	6.2	0.2	0.2
South Africa	1.5	1.3	0.6	1.2	-0.1	-0.6

**Note:** Real effective exchange rates are assumed to remain constant at the levels prevailing during July 27–August 24, 2015. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted. Data for Lithuania are included in the euro area aggregates but were excluded in the April 2015 World Economic Outlook (WEO).

1. Difference based on rounded figures for both the current, January 2016 World Economic Outlook Update, and October 2015 World Economic Outlook forecasts.
2. Excludes the G7 (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.
3. For India, data and forecasts are presented on a fiscal year basis and GDP from 2011 onward is based on GDP at market prices with FY2011/12 as a base year.
4. Indonesia, Malaysia, Philippines, Thailand, Vietnam

Source: IMF

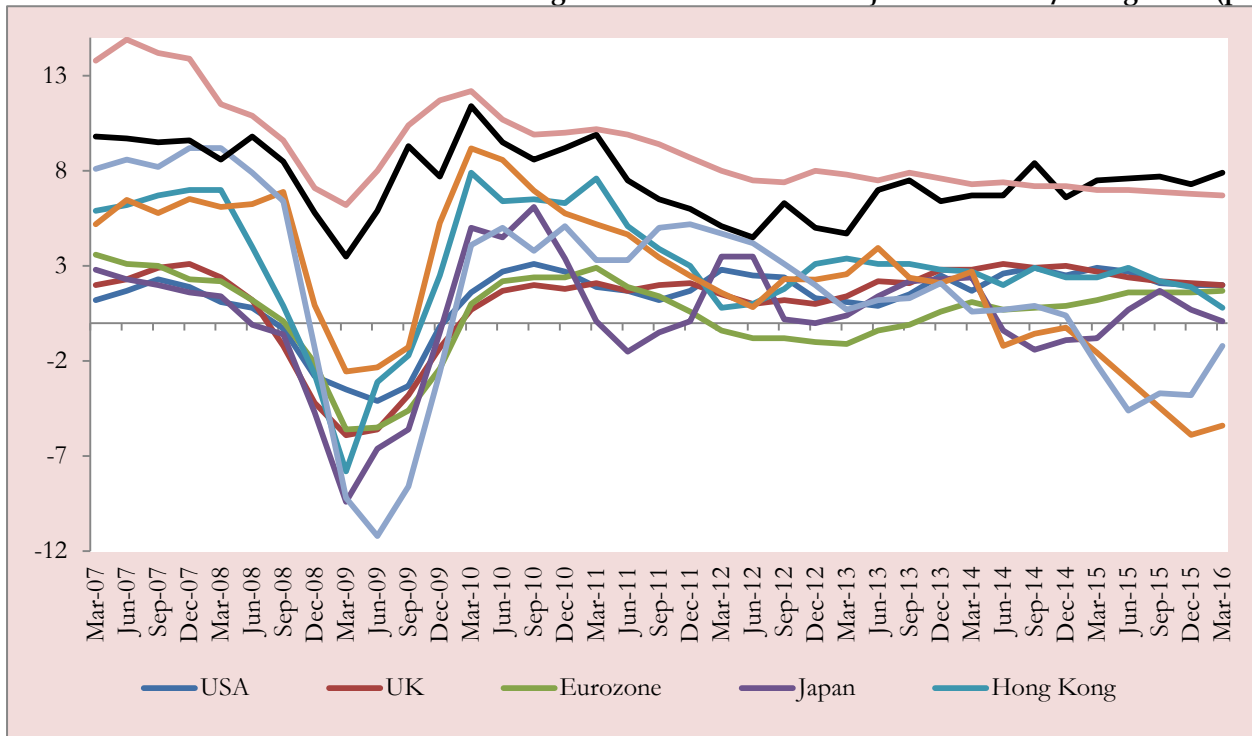
#### Exhibit2: Major Macroeconomic Indicators

	Country / Region	Quarterly Growth Real GDP				Annual Inflation		CPI		Unemployment Rate	Benchmark Interest Rate
		YOY	Q1	QOQ	Q1						
Developed Countries	United States	2.1	Q1	1.1*	Q1	1.0	May-16	4.5	May-16	0.5	
	United Kingdom	2.0	Q1	0.4	Q1	0.3	May-16	5.1	Mar-16	0.5	
	Germany	1.6	Q1	0.7	Q1	0.1	May-16	5.5	May-16	-0.4	
	France	1.4	Q1	0.6	Q1	0.0	May-16	10.1	May-16	-0.4	
	Eurozone	1.7	Q1	0.6	Q1	-0.1	May-16	10.3	May-16	-0.4	
	Japan	0.1	Q1	0.5	Q1	-0.4	May-16	3.2	May-16	-0.1	
	Hong Kong	0.8	Q1	-0.4	Q1	2.6	May-16	3.2	May-16	0.8	
BRIC	Brazil	-5.4	Q1	-0.3	Q1	9.3	May-16	11.2	May-16	14.3	
	Russia	-1.2	Q1	-0.6	Q1	7.3	May-16	5.6	May-16	10.5	
	India	7.9	Q1	NA	NA	5.8	May-16	NA	NA	6.5	
	China	6.7	Q1	NA	NA	2.0	May-16	4.0	Mar-16	4.4	
Other EMs	South Korea	2.8	Q1	0.5	Q1	0.8	May-16	3.7	May-16	1.3	
	Indonesia	4.9	Q1	-0.3	Q1	3.3	May-16	6.2	Aug-15	6.5	
	Turkey	4.8	Q1	-2.4	Q1	6.6	May-16	10.1	Mar-16	7.5	

Note: Q1 represent first Quarter of 2016. (\*) represents figure in annualised terms.

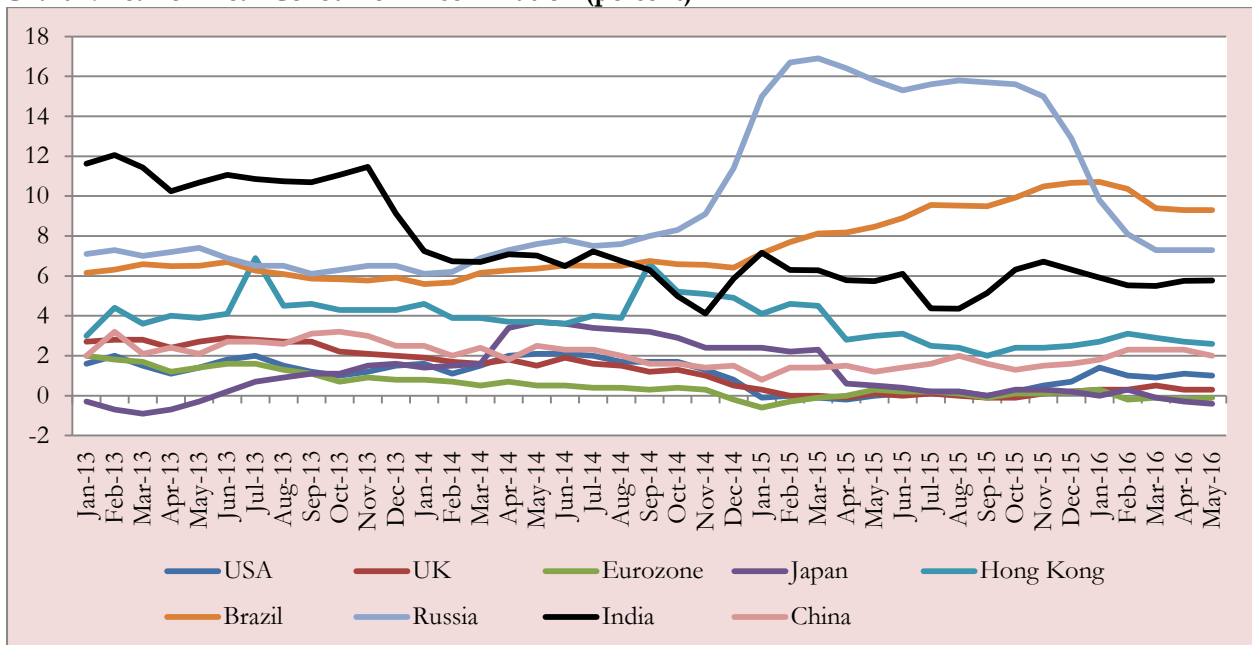
Source: Bloomberg

**Chart 1: Year-on-Year Real GDP growth rates of major countries/ region (percent)**

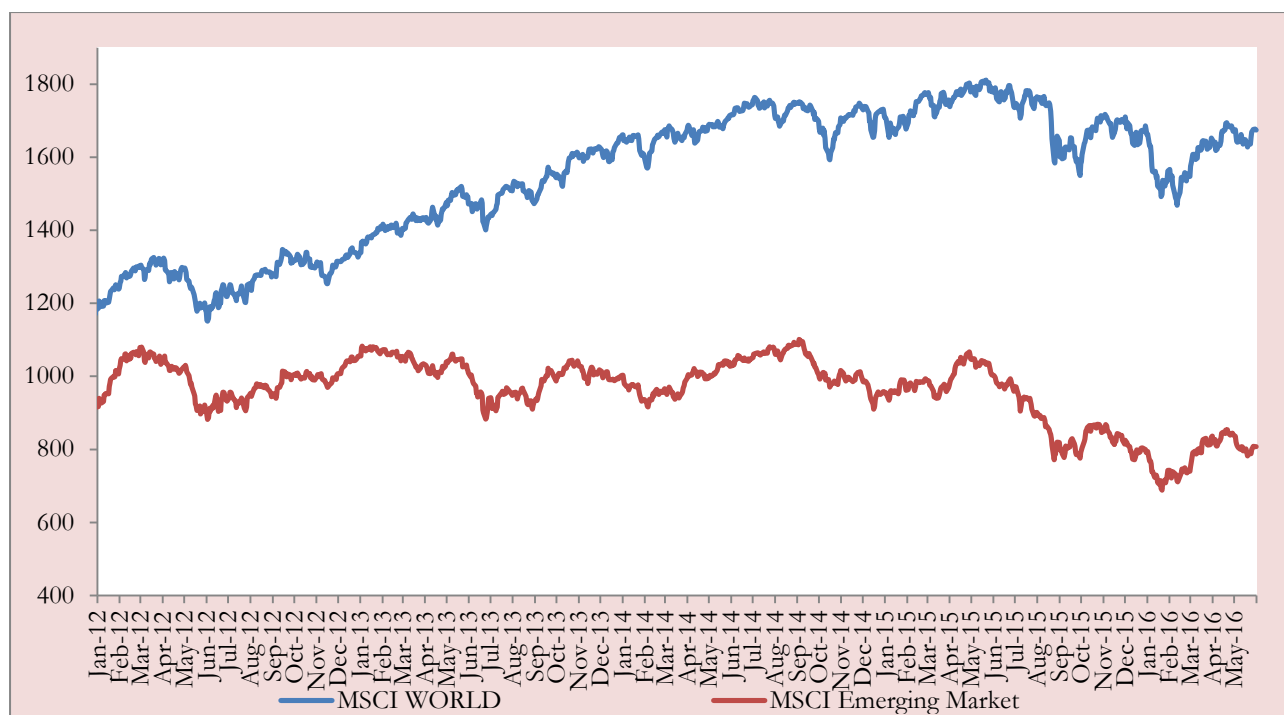


Source: Bloomberg

**Chart 2: Year-on-Year Consumer Price Inflation (percent)**



Source: Bloomberg



Source: Bloomberg

Exhibit 3: Quarterly Estimates of GVA (Y-o-Y) (at 2011-12 prices)

Items	2014-15	2015-16	2014-15				2015-16			
	(1 <sup>st</sup> RE)	(PE)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>1. Agriculture &amp; allied activities</b>	-0.2	1.2	2.3	2.8	-2.4	-1.7	2.6	2	-1	2.3
<b>2. Industry</b>										
Mining & Quarrying	10.8	7.4	16.5	7	9.1	10.1	8.5	5	7.1	8.6
Manufacturing	5.5	9.3	7.9	5.8	1.7	6.6	7.3	9.2	11.5	9.3
Electricity, Gas, Water Supply & Other Utility Services	8	6.6	10.2	8.8	8.8	4.4	4	7.5	5.6	9.3
<b>3. Services</b>										
Construction	4.4	3.9	5	5.3	4.9	2.6	5.6	0.8	4.6	4.5
Trade, Hotel, Transport, Communication and services related to broadcasting	9.8	9	11.6	8.4	6.2	13.1	10	6.7	9.2	9.9
Financial, Real Estate & Professional Services	10.6	10.3	8.5	12.7	12.1	9	9.3	11.9	10.5	9.1
Public Administration, Defence and Other services	10.7	6.6	4.2	10.3	25.3	4.1	5.9	6.9	7.2	6.4
<b>Gross Value Added at Basic Price</b>	<b>7.1</b>	<b>7.2</b>	<b>7.4</b>	<b>8.1</b>	<b>6.7</b>	<b>6.2</b>	<b>7.2</b>	<b>7.3</b>	<b>6.9</b>	<b>7.4</b>
<b>GDP</b>	<b>7.2</b>	<b>7.6</b>	<b>7.5</b>	<b>8.3</b>	<b>6.6</b>	<b>7.5</b>	<b>7.5</b>	<b>7.6</b>	<b>7.2</b>	<b>7.9</b>

Source: CSO

RE- Revised Estimates; PE- Provisional Estimates

- 2.2. The Nikkei India Manufacturing PMI (Purchasing Managers' Index) edged up only slightly to 50.7 in May compared to 50.5 in April 2016, one of its lowest recordings since the end of 2013. The Services PMI showed a deceleration as output growth lost momentum for the second straight month, falling from 53.7 in April to 51.0 in May 2016.

### **Index of Industrial Production**

- 2.3. India's General Index of Industrial Production (IIP) grew at 1.2 percent in May 2016, marking an improvement over the negative pace of 0.8 percent in April 2016, with manufacturing showing a turnaround by growing at 0.7 percent in May up from a 3.1 percent contraction in the previous month. Electricity slowed down considerably compared to the previous month, down to 4.7 percent growth from 14.6 percent growth in the previous month. During April-May 2016-17, the IIP grew 1.2 percent compared to 0.1 percent contraction in April-May 2015-16.

### **Inflation**

- 2.4. India's CPI inflation accelerated to 5.76 percent in May 2016 from 5.47 percent in April 2016, contributing to the worrying trend witnessed over the past month. In May, food inflation increased further to 7.47 percent from 6.4 percent in April. However, India's wholesale price index (WPI) rose again, this time by 0.79 percent compared to 0.34 percent in April. The Repo rate stands at 6.5 percent.

*Source: CSO, RBI, Office of Economic Advisor*

### **Trade - Exports and Imports**

The decline in India's exports has slowed considerably in May 2016, marking a decrease of 0.79 percent in dollar terms to USD 22.17 billion from the May 2015 level of USD 22.34 billion, and rising well over 7 percent from USD 20.56 billion in April 2016. Imports, however, increased by more than 11 percent to USD 28.44 billion from USD 25.41 billion in April 2016 (despite recording a 13 percent decrease from May 2015 levels of USD 32.75 billion), yielding a negative trade balance of USD 6.3 billion, widening the deficit for the first time in months. Taking merchandise and services together, overall trade deficit for April- May, 2016-17 was estimated at USD 5.4 billion, which is 65.6 percent lower than the deficit of USD 15.7 billion during April - May 2015-16.

### **Indian Economic Overview**

#### **Introduction**

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organization (CSO) and International Monetary Fund (IMF). According to the Economic Survey 2015-16, the Indian economy will continue to grow more than 7 per cent in 2016-17.

The improvement in India's economic fundamentals has accelerated in the year 2015 with the combined impact of strong government reforms, RBI's inflation focus supported by benign global commodity prices.

India was ranked the highest globally in terms of consumer confidence during October-December quarter of 2015, continuing its earlier trend of being ranked the highest during first three quarters of 2015, as per the global consumer confidence index created by Nielsen.

#### **Market size**

According to IMF World Economic Outlook Update (January 2016), Indian economy is expected to grow at 7-7.75 per cent during FY 2016-17, despite the uncertainties in the global market. The Economic Survey 2015-16 had forecasted that the Indian economy will growing by more than seven per cent for the third successive year 2016-17 and can start growing at eight per cent or more in next two years.

Foreign direct investment (FDI) in India have increased by 29 per cent during October 2014-December 2015 period post the launch of Make in India campaign, compared to the 15-month period before the launch.

The Nikkei/Markit Manufacturing Purchasing Managers' Index (PMI) for February 2016 was reported at 51.1, indicating expansion in Indian manufacturing activity for a second month in a row, as both domestic and foreign demand increased due to lower prices.

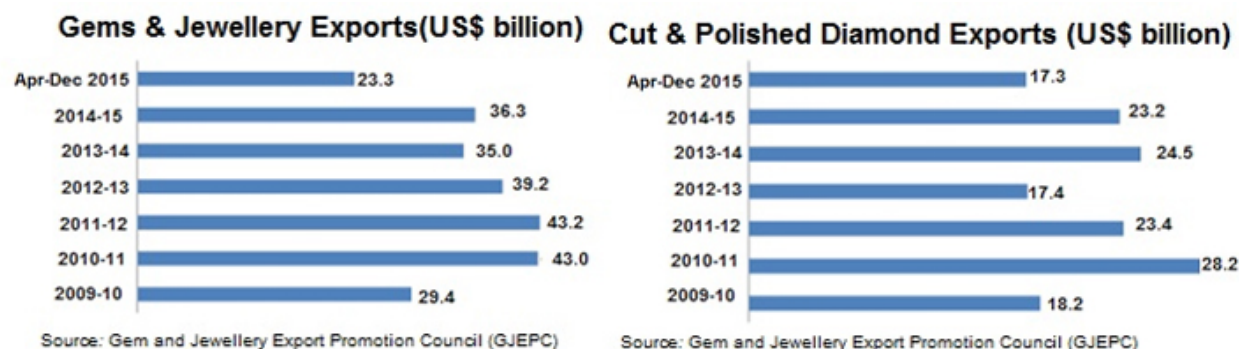
The steps taken by the government in recent times have shown positive results as India's gross domestic product (GDP) at factor cost at constant (2011-12) prices 2015-16 is Rs 113.5 trillion (US\$ 1.668 trillion), as

against Rs 105.5 trillion (US\$ 1.55 trillion) in 2014-15, registering a growth rate of 7.6 per cent. The economic activities which witnessed significant growth were ‘financing, insurance, real estate and business services’ at 11.5 per cent and ‘trade, hotels, transport, communication services’ at 10.7 per cent.

According to a Goldman Sachs report released in September 2015, India could grow at a potential 8 per cent on average during from fiscal 2016 to 2020 powered by greater access to banking, technology adoption, urbanisation and other structural reforms.

## Indian Jewellery Industry

### Introduction



The Gems and Jewellery sector plays a significant role in the Indian economy, contributing around 6-7 per cent of the country’s GDP. 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 95 per cent of the world’s diamonds, as per statistics from the Gems and Jewellery Export promotion Council (GJEPC). The industry has generated US\$ 38.6 billion of revenue from exports in 2015-16, making it the second largest exporter after petrochemicals.

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.

### Market size

The gems and jewellery market in India is home to more than 500,000 players, with the majority being small players.

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. UAE, US, Russia, Singapore, Hong Kong, Latin America and China are the biggest importers of Indian jewellery.

The overall gross exports of Gems & Jewellery in April 2016 stood at US\$ 3.23 billion, whereas exports of cut and polished diamonds stood at US\$ 1.78 billion. Exports of gold coins and medallions stood at US\$ 302.67 million and silver jewellery export stood at US\$ 299.69 million in April 2016. The overall gross imports of Gems & Jewellery in April 2016 stood at US\$ 2.90 billion.

According to a report by Research and Markets, the jewellery market in India is expected to grow at a Compound Annual Growth Rate (CAGR) of 15.95 per cent over the period 2014-2019.

The cumulative Foreign Direct Investment (FDI) inflows in diamond and gold ornaments in the period April 2000-December 2015 were US\$ 751.37 million, according to Department of Industrial Policy and Promotion (DIPP).

During April-December 2015, India imported US\$ 17.33 billion worth of raw material for gems and jewellery. With an 8 per cent share in polished diamonds, India has become the world's third largest diamond consumer.

### **Investments/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.

- Rajesh Exports Limited (REL), a jewellery exporter and retailer, has won an export order contract worth Rs 1,045 crore (US\$ 154.85 million) of designer range of gold and diamond-studded jewellery and medallions from Singapore.
- KSS Limited, a digital and entertainment major, has forayed into the jewellery retailing business under the franchise model and is looking to open 500 stores under brand 'Bjewelz' which is owned by Birla Jewels Limited, a wholly owned subsidiary of KSS Limited.
- Kerala-based Kalyan Jewellers plan to invest Rs 900 crore (US\$ 133.55 million) over the next three years to expand its presence in the international markets like Sri Lanka, Singapore and Malaysia.
- Melorra, a Bengaluru-based online jewellery start-up, has raised US\$ 5 million funding from venture capital firm Lightbox Ventures, to build its brand, enhance its technology platform, and talent acquisition.
- Major mining companies such as Rio Tinto, De Beers and Alrosa have decided to participate in the Indian Diamond Trading Centre (IDTC) which has been set up to eliminate the middlemen in diamond trade and allow Indian manufacturers to deal directly with miners.
- India Bullion and Jewellers Association (IBJA) has signed an pact with the Bombay Stock Exchange (BSE) for setting up India's first bullion exchange through a Special Purpose Vehicle (SPV), wherein IBJA and its constituents will hold 70 per cent and BSE will hold 30 per cent stake.
- Global luxury brand Montblanc International has entered into a joint venture with India's largest watch maker Titan Co Ltd and plans to start the retail operations in India by opening five Montblanc boutiques in Mumbai, Delhi, Hyderabad and Pune.
- London-headquartered Gemfields, a multi-national firm specialising in colour gemstones mining and marketing, is planning to acquire colour gemstone mines in Odisha and Jharkhand, and participate in the exploration of the Kashmir sapphire mines in Jammu & Kashmir.
- The India arm of US private equity (PE) firm Warburg Pincus picked up a minority stake in Kerala-based Kalyan Jewellers for Rs 1,200 crore (US\$ 176 million). The jeweller plans to use the proceeds to fund its retail and manufacturing expansion plans.
- Creador, a PE firm focused on long-term investments in growth-oriented businesses in Indonesia, India, Malaysia and Singapore, invested Rs 135 crore (US\$ 20.28 million) for a minority stake in PC Jeweller Limited.
- Indian exports will now receive concessional duty treatment in the US as it has renewed the Generalised System of Preferences retrospectively from August 1, 2013 - December 31, 2017.

### **Market Analysis for Jewellery Industry**

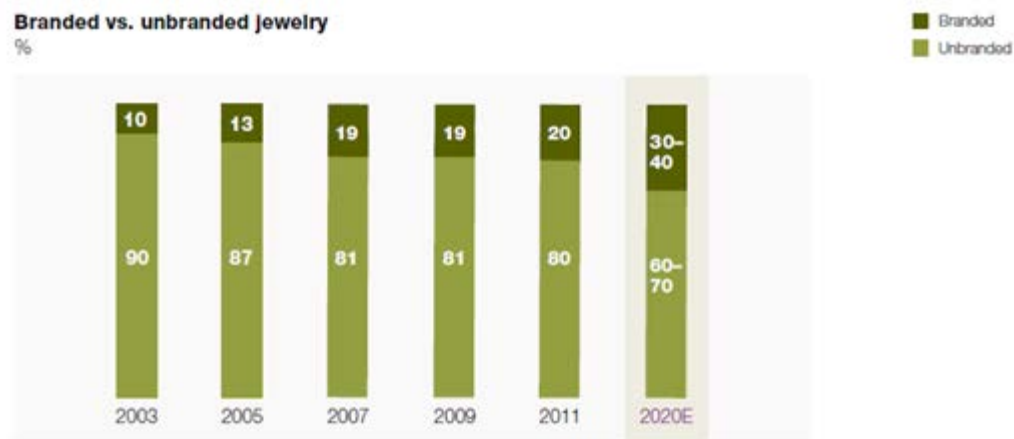
The global jewellery market is now undergoing an improvement and healthy growth with the increase in the overall sales and changing lifestyles. The annual global sale is found to be €148 billion and is expected to grow at 5 to 6% each year. Asia Pacific consist of the world's largest jewellery market, with the main contributors being China and India, who are largest consumers of jewellery in the world having large number of processing and manufacturing industry. Considering country wise, U.S. is the largest jewellery market in the world which is mainly dominated by diamond jewellery.

It is found that the jewellery industry is still local in nature as the ten biggest jewellery groups of the world comprises of only 12% of the global market. The global market for jewellery is likely to beat USD 257 billion by 2017. Even though the world of jewellery is driven by Asia Pacific and the Middle Eastern markets, still U.S. continues to be the leading player in this industry. The market is still growing regardless of the economic unrest in Europe and China.

Euromonitor International, market research firm considering the jewellery sales of 32 countries, states that fine jewellery sales has grown by 87% of approximate \$275.4 billion global jewellery market and might have a compound annual growth rate (CAGR) of 7.4% by 2017.

Most of the raw materials are generated by Canada, Russia, Africa and Australia, while countries like India, China, Italy and Turkey are the main jewellery manufacturers and diamond processors, and are mainly marketed in countries like US, Europe, Middle East and Asia. Out of these raw materials 50% is used for jewellery manufacturing, 40% is used for investment and 10% is used in electronics, medicine etc. The demand for symbolic jewellery is strongly coming from Asian countries and few European regions. In India, tourists are also participating in the growing demand of symbolic jewellery market. It is found that people are less focused on buying branded jewellery as they prefer local ones more. Like in India, 96% of the total players in this industry are small family-owned businesses. There are over 2.5 million jewellery shops in India, around 450,000 goldsmiths and 100,000 gold jewelers. In the U.S., non-brand jewellery shops account for 79% of the total jewellery market.

### Branded jewelry is on the rise.



Source: Expert interviews; McKinsey analysis

India is attaining importance as an international destination for jewellery with companies like Wal-Mart and JC Penny already procuring jewellery from India. LouLouBijoux in US is an exclusive wholesale distributor for US and Canada. Italy based Buccellati is another famous wholesale outlet for its jewellery and watches.

### Online Jewellery Stores

Study shows that the online jewellery sales are around 4-5% of the market today and depends on the regions, brands, and types of jewellery. The top five online jewellery websites as reviewed in 2014 are Blue Nile (<http://www.bluenile.com/>), Super Jeweler (<http://www.superjeweler.com>), Szul (<http://www.szul.com/>), Jared (<http://www.jared.com/en/jaredstore>) and Jewelry (<http://www.jewelry.com/>). It is estimated that by 2020 the online sales of fine jewellery might reach 10% and that of fashion jewellery may reach around 15%. In 2011 US accounted of 11% of total industry sales. Tiffany & Co. runs web-stores in 13 countries having overall online sales of 6%.

The first and foremost problem comes in case of getting proper and regular supply of good raw material which can be trusted. Use pattern booklet for inventions rather than designing customized jewellery during start up. Create unique designs to set your business a step ahead from others. Find out a regular supply for essential jewellery tool kits from any specialty supply stores.

Now make a good business plan along with analyzing and defining your plans and goals. Find out ways to offer quality customer care services, produce unique jewellery designs and innovative selling techniques.

Pricing of your design can make your business to be a great success. Price your products according to the time, manpower and materials involved. Avoid high pricing. Make it competitive, along with looking into profit. Also don't keep it too low as this might make customers lose their trust on you.

Use of online presence is the best way to reduce shop rents and royalties. It will also help you to stand out in the jewellery business. The main advantage is that it will help you to increase the customers reach, but unless you have a good amount of jewellery designs in abundance which requires increase in labor it is not worth starting an eCommerce website. It is better to use a popular online shopping cart when you have little products.

Also use good quality professional camera while taking photos of your product. It is better to make a model wear your products for having better impact on the customers in turn increasing web jewellery sales.

Register with a good business name, also you might need to get a tax ID number based on law and industrial standards. Use a website for promotion of business and register with a good domain name. Market your website and products through social media as they are free and are accessed by large number of people who might show their interests. Send your followers regular e-newsletters and make them attracted to your products. This all might help you.

#### **Major Merging that took place in the Jewellery Industry**

Luk Fook Holdings (International) Ltd of China has recently acquired smaller companies like China Gold Silver Group (CGS). The well known Swatch Group acquired jewellery brand Harry Winston based in Toronto, in January 2013 which will be renamed as Dominion Diamond after completing the sale to Swatch. Kering SA acquired Hong Kong's jewellery brand Qeelin in December 2012. Aurum Holdings, which leads jewellery sales in the UK, was acquired by US private equity firm Apollo Global Management in December 2012, which also acquired Claire's Stores. Italian private equity Clessidra took control of Buccellati to aid fund development in Asia. Overnight Mountings has purchased the assets of Satco Casting which is into providing precious metals for jewellery industry and Plaza Bracelet Co., which designs tennis-style bracelets. Signet Jewelers acquired the Excelco diamond polishing factory in Gaborone, Botswana and Ultra Diamonds.

There is a lot of fluctuation still going on in the jewellery industry. Also there is a lot more scope for online jewellery shops. We might find a lot of them in the coming years.

Source : <http://www.cdotsys.com/market-analysis-for-jewellery-industry/>

**E jewelry industry** seems poised for a glittering future. Annual global sales of €148 billion are expected to grow at a healthy clip of 5 to 6 percent each year, totaling €250 billion by 2020. Consumer appetite for jewelry, which was dampened by the global recession, now appears more voracious than ever.

But the industry is as dynamic as it is fast growing. Consequential changes are under way, both in consumer behavior as well as in the industry itself. Jewelry players can't simply do business as usual and expect to thrive; they must be alert and responsive to important trends and developments or else risk being left behind by more agile competitors.

To chart the most likely course of the jewelry sector, we analyzed publicly available data, studied companies' annual reports, and interviewed 20 executives at global fine-jewelry and fashion-jewelry companies and industry associations. Our research indicates that five trends that shaped an adjacent industry – apparel – over the past 30 years are becoming evident in the jewelry industry as well, and at a much faster pace: internationalization and consolidation, the growth of branded products, a reconfigured channel landscape, "hybrid" consumption, and fast fashion. In this article, we discuss how these trends could affect the future of jewelry and what jewelry companies should do to prepare.

### **Internationalization of brands and industry consolidation**

In the 1980s, national apparel brands were the clear leaders in their respective markets: C&A in Germany, for example, and Marks & Spencer in the United Kingdom. Today, many national brands have been outpaced by international brands such as Zara and H&M. Others have built or expanded their international presence. Hugo Boss's sales outside Germany, for example, grew from 50 percent of its total sales in 1990 to more than 80 percent today. Apparel has become a truly global business.

We expect jewelry to follow a similar path. Today, the jewelry industry is still primarily local. The ten biggest jewelry groups capture a mere 12 percent of the worldwide market, and only two—Cartier and Tiffany & Co.—are in Interbrand's ranking of the top 100 global brands. The rest of the market consists of strong national retail brands, such as Christ in Germany or Chow Tai Fook in China, and small or midsize enterprises that operate single-branch stores.

Our interviewees expect that a handful of thriving national or regional jewelry brands will join the ranks of top global brands by 2020—Swarovski is an oft-cited example. In addition, some local brands will almost certainly become known globally as a result of industry consolidation: international retail groups will acquire small, local jewelers. Some industry observers project that the ten largest jewelry houses will double their market share by 2020, primarily by acquiring local players. And if the apparel industry does indeed hold any lessons for the jewelry industry, incumbent jewelry houses will soon be fighting bidding wars against private-equity players with deep pockets.

The apparel industry is about ten times the size of the jewelry industry as measured in annual sales, but the average M&A deal value in apparel (€12 billion) is almost 20 times that in jewelry (€700 million). That said, average deal value in jewelry has been rising—by a compound annual growth rate of 9 percent between 1997 and 2012, compared with 5 percent in apparel. Recent deals include British company Signet Jewelers's 2012 acquisition of US-based retailer Ultra Diamonds and the Swatch Group's acquisition of Harry Winston in January 2013.

### **Introduction**

Indians have always been connoisseurs of precious stones and ornaments. Trade secrets of the jewellery business have been handed down over generations, ensuring continuity of traditional craft. Thus, India is today the world's largest diamond cutting and polishing centre. India has been adding modern techniques to its traditional know-how that are more in tune with global market trends. Several well-organised polishing units have been established to improve productivity and meet growing international demand.

### **SPOTLIGHT ON EXPORTS**

India is the most preferred country in terms of gems and jewellery export. The facts listed below give us an idea of India's position on the global gems and jewellery export map. Indian gems and jewellery are exported across continents.

- Gems and jewellery exports reached US\$ 36.2 billion in 2014–15. The industry grew 4.3 per cent, with exports worth US\$ 36.2 billion in 2014–15 compared with US\$ 29.4 billion in 2009–10.
- In 2014–15, the UAE was the destination for 29.6 per cent of gems and jewellery exports from India valued at US\$ 12.3 billion, followed by Hong Kong (29.4 per cent or US\$ 12.2 billion) and the US (20.3 per cent or US\$ 8.4 billion).
- In 2014–15, export of cut and polished diamonds declined 5.0 per cent to US\$ 23.2 billion.
- During April–November 2014, gems and jewellery accounted for around 20.9 per cent of the country's total exports.
- Gems and jewellery exports could reach US\$ 58 billion by 2015.

### **GEM AND JEWELLERY EXPORT PROMOTION COUNCIL**

The Gem and Jewellery Export Promotion Council (GJEPC) undertakes direct promotional activities, including joint participation in international jewellery shows, sending and hosting trade delegations, and sustained image-building exercises.

**During FY 2014-15, Net exports for Gems and Jewellery increased 4 per cent to reach US\$36.2 billion.**

Source : <http://www.ibef.org/exports/gems-and-jewellery-export.aspx>

### Recent Developments

With the improvement in the economic scenario, there have been various investments leading to increased M&A activity. Some of them are as follows:

India has emerged as one of the strongest performers with respect to deals across the world in terms of Mergers and Acquisitions (M&A). The total transaction value of M&A involving Indian companies stood at US\$ 26.3 billion with 930 deals in 2015 as against US\$ 29.4 billion involving 870 deals in 2014. In the M&A space, Telecom was the dominant sector, amounting to 40 per cent of the total transaction value. Also, Private equity (PE) investments increased 86 per cent y-o-y to US\$ 1.43 billion.

Total private equity (PE) investments in India for 2015 reached a record high of US\$ 19.5 billion through 159 deals, according to the PwC MoneyTree India report.

According to The World Bank, India's per capita income is expected to cross Rs 100,000 (US\$ 1,505.4) in FY 2017 from Rs 93,231 (US\$ 1,403.5) in FY 2016.

### Government Initiatives

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, has launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy. This initiative is expected to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy. Finance Minister Mr. Arun Jaitley stated that the government is looking at a number of reforms and resolution of pending tax disputes to attract investments.

Currently, the manufacturing sector in India contributes over 15 per cent of the GDP. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP. Following the government's initiatives several plans for investment have been undertaken which are as follows:

- The Union Cabinet has approved the introduction of several short term (within one year) and medium term measures (within two years) to be implemented by government ministries, departments and organizations for promotion of payments through cards and digital means, and to reduce cash transactions.
- Government of India has prioritized sustainability as the key aspect of India's development. To achieve this, the government aims to encourage education, skill development, digital connectivity and entrepreneurship in a sustainable manner.
- Prime Minister Mr. Narendra Modi announced at the International Monetary Fund (IMF) conference on 'Advancing Asia: Investing for the Future' in New Delhi that the government will continue to bring in new reforms for transforming economy without resorting to undervaluing its exchange rate to boost trade.
- The Government of India plans to build five new railway links with Nepal, which will boost India's economic links with its neighbouring country and promote growth, employment and prosperity in the region.
- India has signed a loan agreement worth US\$ 35 million with the World Bank for Madhya Pradesh Citizen Access to Responsive Services Project which aims to improve access and quality of public services in Madhya Pradesh through implementation of the 2010 Public Service Delivery Guarantee Act.

- The Cabinet Committee of Economic Affairs (CCEA) has approved the allocation of coal linkages for non-regulated sectors such as cement, steel, sponge iron, aluminium and others, through the route of e-auction to be conducted in April 2016, which is expected to bring in transparency in allotment process and ensure all market participants have a fair opportunity to secure coal for their operations.
- Government of India plans to create a National Investment Grid to map business opportunities across the country which will make it easier for investors, especially domestic investors, to access and explore investment opportunities.
- Prime Minister, Mr Narendra Modi, launched the Start-up India initiative and unveiled the Start-up Action Plan which includes creation of a dedicated Start-up fund worth Rs 10,000 crore (US\$ 1.47 billion) apart from other incentives like no tax on profits for first three years and relaxed labour laws.
- British telecom giant Vodafone, India's second largest telecom operator, plans to invest over Rs 13,000 crore (US\$ 1.91 billion) in India, to upgrade and expand its network and also for its payments bank operations.
- Chinese smartphone handset maker, Vivo, has set up an assembly unit in India at Greater Noida which will initially manufacture 150,000 smartphone units a month, to produce three smartphone models, namely Y11, Y21 and Y15S.
- Foxconn Technology group, Taiwan's electronics manufacturer, is planning to manufacture Apple iPhones in India. Besides, Foxconn aims to establish 10-12 facilities in India including data centers and factories by 2020.
- US-based First Solar Inc and China's Trina Solar have plans to set up manufacturing facilities in India. Clean energy investments in India increased to US\$ 7.9 billion in 2014, helping the country maintain its position as the seventh largest clean energy investor in the world.
- Hyderabad is set to become the mobile phone manufacturing hub in India and is expected to create 150,000 – 200,000 jobs. Besides, the Telangana Government aims to double IT exports to Rs 1.2 trillion (US\$ 17.61 billion) by 2019.
- General Motors plans to invest US\$1 billion in India by 2020, mainly to increase the capacity at the Talegaon plant in Maharashtra from 130,000 units a year to 220,000 by 2025.
- Hyundai Heavy Industries (HHI) and Hindustan Shipyard Ltd have joined hands to build warships in India. Besides, Samsung Heavy Industries and Kochi Shipyard will be making Liquefied Natural Gas (LNG) tankers.

Under the Digital India initiative numerous steps have been taken by the Government of India. Some of them are as follows:

- The Government of India has launched a digital employment exchange which will allow the industrial enterprises to find suitable workers and the job-seekers to find employment. The core purpose of the initiative is to strengthen the communication between the stakeholders and to improve the efficiencies in service delivery in the MSME ministry. According to officials at the MSME ministry over 200,000 people have so far registered on the website.

- The Ministry of Human Resource Development recently launched Kendriya Vidyalaya Sangathan's (KVS) e-initiative 'KV Shaala Darpan' aimed at providing information about students electronically on a single platform. The program is a step towards realising Digital India and will depict good governance.
- The Government of India announced that all the major tourist spots like Sarnath, Bodhgaya and Taj Mahal will have a Wi-Fi facility as part of digital India initiative. Besides, the Government has started providing free Wi-Fi service at Varanasi ghats.

Based on the recommendations of the Foreign Investment Promotion Board (FIPB), FDI inflows have increased 40 per cent during April-December 2015 to reach US\$ 29.44 billion.

The Government of India has launched an initiative to create 100 smart cities as well as Atal Mission for Rejuvenation and Urban Transformation (AMRUT) for 500 cities with an outlay of Rs 48,000 crore (US\$ 7.47 billion) and Rs 50,000 crore (US\$ 7.34 billion) crore respectively. Smart cities are satellite towns of larger cities which will consist of modern infrastructure and will be digitally connected. The program was formally launched on June 25, 2015. The Phase I for Smart City Kochi (SCK) will be built on a total area of 650,000 sq. ft., having a floor space greater than 100,000 sq. ft. Besides, it will also generate a total of 6,000 direct jobs in the IT sector.

#### **Road Ahead**

The International Monetary Fund (IMF) and the Moody's Investors Service have forecasted that India will witness a GDP growth rate of 7.5 per cent in 2016, due to improved investor confidence, lower food prices and better policy reforms. Besides, according to mid-year update of United Nations World Economic Situation and Prospects, India is expected to grow at 7.6 per cent in 2015 and at 7.7 per cent in 2016.

As per the latest Global Economic Prospects (GEP) report by World Bank, India is leading The World Bank's growth chart for major economies. The Bank believes India to become the fastest growing major economy by 2015, growing at 7.5 per cent.

According to Mr Jayant Sinha, Minister of State for Finance, Indian economy would continue to grow at 7 to 9 per cent and would double in size to US\$ 4-5 trillion in a decade, becoming the third largest economy in absolute terms.

Furthermore, initiatives like Make in India and Digital India will play a vital role in the driving the Indian economy.

Exchange Rate Used: INR 1 = US\$ 0.0147 as on March 01, 2016

Source : <http://www.ibef.org/economy/indian-economy-overview>

## GEMS & JEWELLERY, LUXURY & LIFESTYLE

### OVERVIEW:

The global gems and jewellery industry is on way to huge transformation. India has many natural advantages to emerge as Gems & Jewellery hub of the world. India has the largest and the best artisan force for designing and crafting the jewellery in the world. There is considerable scope of value addition in terms of capacity building at the domestic front, quality management and professionalisation.

For the average Indian consumer of gold, diamonds and other gemstones - clichés abound - gold almost always glitters and diamonds are forever. India leads global consumption of gold at an estimated 850 tons annually, and has emerged as the 6th largest consumer of diamonds in the world. The global gems and jewellery industry is on way to huge transformation. India has many natural advantages to emerge as Gems & Jewellery hub of the world. India has the largest and the best artisan force for designing and crafting the jewellery in the world. There is considerable scope of value addition in terms of capacity building at the domestic front, quality management and professionalisation.

For the average Indian consumer of gold, diamonds and other gemstones - clichés abound - gold almost always glitters and diamonds are forever. India leads global consumption of gold at an estimated 850 tons annually, and has emerged as the 6th largest consumer of diamonds in the world

India occupies top position in importing, processing and exporting diamonds. With its cut and polished diamonds, colored gemstones, gold jewellery, pearls, non-gold jewellery and fashion jewellery, India holds nearly 50% of the international market. Gems and jewellery sector contributes nearly 18% in India's aggregate exports. It accounts for nearly 55% of the world's net exports of cut and polished diamonds in value terms, 90% in terms of pieces and 80% in terms of carats. India now processes 85% of the world's polished diamonds, far ahead of other competitors. Every 11 of 12 diamonds sold around the globe are processed in India regardless of where these are mined.

India has shifted its trade focus from domestic economy to global markets through liberalized trade policies & lower tariffs. These measures have dramatically improved India's export market over the past 15 years, particularly for diamonds and jewellery.

The following are the issues and areas in which FICCI can play a proactive role to support this Industry and seek the assistance from the concerned ministry.

### A. Diamond industry:

- At present dollar loans are not available and rupee loans are too expensive. To make matters worse, different banks charge different rates of interest. We should take up this matter with the RBI/finance ministry for regulatory measures.
- Evaluating other options for financing to diamontaires.
- Value addition: The margins in the diamond industry are very low and the entire emphasis is on large volumes. We need to devise ways and means of taking the industry up on a value chain.
  
- Direct supply of rough from countries such as Angola, Canada and other diamond mining countries.
- Measures to improve working conditions in manufacturing set ups.
- Move from unorganized to organized set ups.

### B. Jewellery industry:

- Going up the value chain.
- Promoting brand India all over the world.
- Promoting Indian retail brands.

- Joint retail initiatives and cooperative retail.
- BIS/Certification of jewellery to be mandatory in the interest of the consumer.
- Set up export targets to 50% yoy and work towards achievement of this target.

### **C. Gold/Bullion:**

- Availability of gold loan products to be made available to domestic manufacturers.
- All exporters should be allowed to import gold freely.
- Easy availability of gold for retailers against stocks.

### **Other issues**

- Survey of the gold retailing sector with regards to matters such as Gold consumption patterns, trade practices, trade profiles, regional differences.
- Issues of Hallmarking, Gold and purity of gold, assaying centers.
- Improvement in the ways gold is marketed in India.
- Branding and Branded jewellery.
- Use of technology in manufacturing and production.
- HR practices to transform traditional management.
- Promote jewellery as a category
- Enhance image of the industry
- Manage a portfolio of markets
- Professionalize and transform family owned businesses
- Enhance talent supply
- Reduce financing cost
- Identify new products and consumer segments

Source : <http://ficci.in/sector-overview.asp?secid=17>

## SUMMARY OF OUR BUSINESS

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Prospectus, including the information contained in the section titled '**Risk Factors**', beginning on page no.13 of this Draft 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 Information**' and '**Management Discussion and Analysis of Financial Conditions and Results of Operations**' beginning on page no. 143 and 175 respectively, of this Draft Prospectus

Unless the context otherwise requires, in relation to business operations, in this section of this Draft Prospectus, all references to "we", "us", "our" and "our Company" are to Veeram Ornaments Limited and Group Entities as the case may be.

### OVERVIEW

We are integrated wholesaler of branded Jewellery & Ornaments. We are also into trading business of silver and distributor of readymade gold & silver Jewellery & Ornaments. Our portfolio of products includes gold and silver jewellery with or without studded precious and semi-precious stones. Our Jewelries and ornaments are designed keeping in mind the demand for the Traditional, Modern & Indo-Western jewellery & ornaments in India. With regional diversity of tastes and preferences, we have diverse portfolio of Ornaments and Jewellery to suit the taste and preferences of one & all. Our gold & silver traditional jewellery & ornaments are either made with kundan, gem stones, American diamonds etc or just plain gold or silver.

We source our raw materials from Rajkot & local markets in Ahmedabad. Raw Silver and Raw gold is generally purchased from the bullion market which is then designed and molded into gold and silver traditional & modern jewellery. Other raw material like kundan, gems stones, American diamonds etc is purchased from our suppliers.

Most of our jewelries are designed in a traditional manner as the demand for traditional jewellery is very high in the local markets of Ahmedabad and nearby localities. The design & pattern for our jewellery & ornaments is provided by us to the job workers who manufacture our products accordingly. We sell only quality certified jewellery & ornaments to our clients.

### Our Jewellery & Ornaments

Jewellery
Chain
Ring
Earring
Mangalsutra
Anklet
Zuda
Ear-chain
Necklace
Toe Ring
Bangle
Bracelet





Our production of jewellery depends on the order size, order value, design & pattern of the jewellery, type & availability of raw materials to be used and the quality and finish of the jewellery. Our total standard or minimum order size is 2 Gms and the maximum order size is 150 Gms at any point in time of the year. The total order size for gold & silver jewellery generally ranges between 10 Gms to 1500 Gms.

Our products have presence across different price points and cater to customers across high-end, mid-market and value market segments. Our jewelries are sold only to the jewellery retailers within Ahmedabad. Owing to the relationship we have built with our clients, customization of the jewellery, the quality, design & pattern of our jewelries.

Our Promoter Mrs. Pinalben Rakshitbhai Shah come with jewellery business background and is well versed in designing and distribution of jewellery & ornaments. Our Promoter possess more than 10 years of experience in the functioning and management of Jewellery covering all aspects.

### **USP of our Jewellery & Ornaments**

#### ***Low Prices***

Our jewellery & ornaments are priced much lesser than the branded jewelers in the market. Indian consumers being price sensitive & our Promoters experience put together, helps us sustain the competition locally.

#### ***Design & Pattern***

For success of any brand, it is highly important to provide best & patterns of local & international standard. Post understanding the consumer likes, taste and preference, internal research & changing jewellery & ornaments industry, we have developed a wide range of designs & patterns for our traditional, modern & Indo-Western jewellery using the latest 3D Computer-Aided Designing (CAD) Software.

**SUMMARY OF FINANCIAL INFORMATION**

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

(Rupees in Lakhs)

Particulars	Note No.	For the Period Ended June 30, 2016	For the year ended March 31,				
			2016	2015	2014	2013	2012
<b>I. EQUITY AND LIABILITIES</b>							
<b>Shareholders Funds</b>							
(a) Share Capital	1	34.33	34.33	1.00	1.00	1.00	1.00
(b) Reserves and Surplus	2	301.63	273.95	0.46	0.16	(0.18)	(0.22)
<b>Total(1)</b>		<b>335.96</b>	<b>308.29</b>	<b>1.46</b>	<b>1.16</b>	<b>0.82</b>	<b>0.78</b>
Share Application Money Pending Allotment		-	-	4.48	4.00	-	-
<b>Non-Current Liabilities</b>							
(a) Long Term Borrowings	3	45.62	10.62	7.24	-	-	-
(b) Deferred Tax Liabilities	4	-	-	-	-	-	-
(c) Other Long-Term Liabilities		-	-	-	-	-	-
(d) Long-Term Provisions		-	-	-	-	-	-
<b>Total(2)</b>		<b>45.62</b>	<b>10.62</b>	<b>7.24</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current Liabilities</b>							
(a) Short Term Borrowings	5	-	-	-	-	-	-
(b) Trade Payables	6	32.95	-	-	-	-	-
(c) Other Current Liabilities	7	0.08	0.08	4.15	3.13	-	-
(d) Short Term Provisions	8	15.79	3.41	0.11	0.28	0.02	-
<b>Total(3)</b>		<b>48.81</b>	<b>3.49</b>	<b>4.26</b>	<b>3.41</b>	<b>0.02</b>	<b>-</b>
<b>TOTAL(1+2+3)</b>		<b>430.40</b>	<b>322.40</b>	<b>17.44</b>	<b>8.57</b>	<b>0.83</b>	<b>0.78</b>
<b>II. ASSETS</b>							
<b>NON-CURRENT ASSETS</b>							
(a) Fixed Assets	9	2.95	2.95	2.87	3.29	-	-
(ii) Intangible Assets		-	-	-	-	-	-
(iii) Capital Work-In-Progress		-	-	-	-	-	-
(iv) Intangible Assets Under Dev.		-	-	-	-	-	-
(b) Non-Current Investments		-	-	-	-	-	-
(c) Deferred Tax assets (NET)		-	-	-	-	-	-
(b) Long-Term Loans and Advances	10	0.35	0.10	-	-	-	-
(c) Other Non-Current Assets	11	-	-	-	-	-	-
<b>TOTAL(1)</b>		<b>3.30</b>	<b>3.05</b>	<b>2.87</b>	<b>3.29</b>	<b>-</b>	<b>-</b>
<b>CURRENT ASSETS</b>							
(a) Current Investments	12	-	-	-	-	-	-
(b) Inventories	13	258.58	215.18	-	-	-	-
(c) Trade Receivables	14	111.80	70.57	-	2.00	-	-
(d) Cash and Cash Equivalents	15	28.97	17.11	13.96	3.28	0.83	0.78
(e) Short-Term Loans and Advances	16	22.65	15.38	0.08	-	-	-
(f) Other Current Assets	17	1.10	1.10	0.54	-	-	-
Misc Expenses	18	4.00	-	-	-	-	-
<b>TOTAL (2)</b>		<b>427.09</b>	<b>319.34</b>	<b>14.58</b>	<b>5.28</b>	<b>0.83</b>	<b>0.78</b>
<b>TOTAL (1+2)</b>		<b>430.40</b>	<b>322.40</b>	<b>17.44</b>	<b>8.57</b>	<b>0.83</b>	<b>0.78</b>

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

(Rupees in Lakhs)

S. No.	PARTICULARS	Note No.	For the Period Ended June 30, 2016	For the year ended March 31,				
				2016	2015	2014	2013	2014
	<b>REVENUE FROM OPERATIONS</b>							
I	Revenue From Operations	19	199.51	145.15	4.35	7.39	0.09	-
II	Other Income	20	0.12	1.79	0.76	-	-	-
	<b>Total Revenue(I+II)</b>		<b>199.63</b>	<b>146.94</b>	<b>5.11</b>	<b>7.39</b>	<b>0.09</b>	<b>-</b>
III	<b>EXPENSES:</b>							
a	Cost of Operations	21	200.86	346.58	0.66	0.04	-	-
b	Purchase Of Stock-In-Trade							
	Changes In Inventories Of Finished Goods Work-In-progress And Stock-In-Trade		(43.40)	(215.18)	-	-	-	-
c	Employee Benefits Expenses	22	1.64	2.94	1.80	1.20	-	-
d	Finance Costs	23	0.01	-	-	-	-	-
e	Depreciation And Amortization Expense	24	-	0.55	0.50	0.33	-	-
f	Other Expenses	25	0.47	1.85	1.82	5.22	0.05	0.22
	<b>Total Expenses</b>		<b>159.58</b>	<b>136.74</b>	<b>4.78</b>	<b>6.78</b>	<b>0.05</b>	<b>0.22</b>
IV	<b>PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)</b>		<b>40.05</b>	<b>10.20</b>	<b>0.33</b>	<b>0.61</b>	<b>0.05</b>	<b>(0.22)</b>
V	Exceptional Items							
VI	<b>PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V-VI)</b>		<b>40.05</b>	<b>10.20</b>	<b>0.33</b>	<b>0.61</b>	<b>0.05</b>	<b>(0.22)</b>
VII	Extraordinary Items							
VIII	<b>PROFIT BEFORE TAX (VII-VIII)</b>		<b>40.05</b>	<b>10.20</b>	<b>0.33</b>	<b>0.61</b>	<b>0.05</b>	<b>(0.22)</b>
IX	<b>TAX EXPENSE</b>							
	Current Tax		12.38	3.39	0.09	0.26	0.02	-
	Earlier Years Tax		-	-	-	-	-	-
	Deferred Tax		-	(0.01)	0.01	-	-	-
	Mat Credit Entitlement Account		-	-	-	-	-	-
X	<b>PROFIT(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (VII-VIII)</b>		<b>27.67</b>	<b>6.82</b>	<b>0.23</b>	<b>0.34</b>	<b>0.03</b>	<b>(0.22)</b>
XI	<b>PROFIT(LOSS) FROM DISCONTINUING OPERATIONS</b>							
XII	<b>TAX EXPENSE OF DISCONTINUING OPERATIONS</b>							
XIII	<b>PROFIT(LOSS) FROM DISCONTINUING OPERATIONS (AFTER TAX) (XII-XIII)</b>							
XIV	INCOME TAX FOR EARLIER YEARS		-	-	-	-	-	-
XV	<b>PROFIT (LOSS) FOR THE PERIOD (XI+XIV)</b>		<b>27.67</b>	<b>6.82</b>	<b>0.23</b>	<b>0.34</b>	<b>0.03</b>	<b>(0.22)</b>
XVI	<b>EARNING PER EQUITY SHARE</b>							
a	<b>BASIC (in Rupees)</b>	26	8.06	19.89	2.27	3.43	0.31	(2.16)
b	<b>DILUTED (in Rupees)</b>		8.06	19.89	2.27	3.43	0.31	(2.16)

**ANNEXURE - III - STATEMENT OF CASH FLOW AS RESTATED**
**(Rupees in Lakhs)**

PARTICULARS	For the Period Ended June 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
<b><u>Cash Flow from Operating Activities :</u></b>						
Net Profit/(Loss) before tax	40.05	10.20	0.33	0.61	0.05	(0.22)
Adjustments for:						
Finance Cost	0.01	0.003	0.004	-	-	-
Depreciation	-	0.55	0.50	0.33	-	-
Interest Income	(0.12)	(1.32)	(0.76)	-	-	-
<b>Operating Profit before working capital changes</b>	<b>39.94</b>	<b>9.43</b>	<b>0.07</b>	<b>0.94</b>	<b>0.05</b>	<b>(0.22)</b>
Increase / (Decrease) in short term borrowings	-	-	-	-	-	-
Increase / (Decrease) in Trade Payables	32.95	-	-	-	-	-
Increase / (Decrease) in Other Current Liabilities	-	(4.07)	1.02	3.13	-	-
(Increase) / Decrease in Inventories	(43.40)	(215.18)	-	-	-	-
(Increase) / Decrease in Trade Receivable	(41.23)	(70.57)	2.00	(2.00)	-	-
Increase / (Decrease) in Short term provision	-	-	-	-	-	-
(Increase) / Decrease in Short Term Loans & Advances & other current assets	(11.26)	(15.87)	(0.62)	-	-	-
<b>Operating Profit after working capital changes</b>	<b>(23.00)</b>	<b>(296.25)</b>	<b>2.47</b>	<b>2.07</b>	<b>0.05</b>	<b>(0.22)</b>
Less: Income Tax Paid	-	0.09	0.26	-	-	-
<b>Net Cash from/ (used in) Operating Activities</b>	<b>(23.00)</b>	<b>(296.34)</b>	<b>2.21</b>	<b>2.07</b>	<b>0.05</b>	<b>(0.22)</b>
<b><u>Cash Flow from Investing Activities :</u></b>						
(Purchase)/ Sale of Fixed Assets	-	(0.63)	-	(3.62)	-	-
(Purchase)/ Sale of Current Investments	-	-	-	-	-	-
(Increase) / Decrease in Long Term Loans & Advances	(0.25)	(0.10)	-	-	-	-
Interest Income	0.12	1.32	0.76	-	-	-
<b>Net Cash from/ (used in) Investing Activities</b>	<b>(0.13)</b>	<b>0.59</b>	<b>0.76</b>	<b>(3.62)</b>	<b>-</b>	<b>-</b>
<b><u>Cash Flow from Financing Activities :</u></b>						
Increase / (Decrease) in Long Term Borrowings	35.00	3.38	7.23	-	-	-
Proceeds from Issue of shares	-	300.00	-	-	-	1.00
Proceeds from application money pending allotment	-	(4.48)	0.48	4.00	-	-
Finance Cost paid	(0.01)	(0.003)	(0.004)	-	-	-
<b>Net Cash from/ (used in) Financing Activities</b>	<b>34.99</b>	<b>298.90</b>	<b>7.71</b>	<b>4.00</b>	<b>-</b>	<b>1.00</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>11.86</b>	<b>3.15</b>	<b>10.68</b>	<b>2.45</b>	<b>0.05</b>	<b>0.78</b>
<b>Cash &amp; Cash Equivalents as at the beginning of the year</b>	<b>17.11</b>	<b>13.96</b>	<b>3.28</b>	<b>0.83</b>	<b>0.78</b>	<b>-</b>
<b>Cash &amp; Cash Equivalents as at the end of the year</b>	<b>28.97</b>	<b>17.11</b>	<b>13.96</b>	<b>3.28</b>	<b>0.83</b>	<b>0.78</b>

## THE ISSUE

PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS	
<b>Equity Shares Offered: Public Issue of Equity Shares by our Company</b>	11,37,000 Equity Shares of Rs. 10/- each for cash at a price of Rs. 45/- per share aggregating to Rs. 511.65 Lakhs
<b>Issue Reserved for the Market Makers</b>	57,000 Equity Shares of Rs. 10/- each for cash at a price of Rs. 45/- per share aggregating Rs. 25.65 Lakhs
<b>Net Issue to the public*</b>	10,80,000 Equity Shares of Rs. 10/- each for cash at a price of Rs. 45/- per share aggregating Rs. 486.00 Lakhs
	<b>of which</b>
	5,40,000 Equity Shares of Rs. 10/- each at a premium of Rs. 35/- per Equity Share will be available for allocation for allotment to Retail Individual Investors of up to Rs. 2.00 Lakhs
	5,40,000 Equity Shares of Rs. 10/- each at a premium of Rs. 35/- per Equity Share will be available for allocation for allotment to other Investors of above Rs. 2.00 Lakhs
<b>Equity Shares outstanding prior to the Issue</b>	31,73,015 Equity Shares of face value of Rs. 10/- each
<b>Equity Shares outstanding after the issue</b>	43,10,015 Equity Shares of face value of Rs. 10/- each
<b>“Objects of the Issue”</b>	page 75 of this Draft Prospectus

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to “Issue Structure” on page 209 of this Draft Prospectus.

\*As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, the present issue is a fixed price issue ‘the allocation’ is the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to other than Retail Individual Investors.

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

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

The issue has been authorized by the Board of Directors of our Company pursuant to a resolution passed at its meeting held on August 01, 2016.

Our shareholders have authorized the Issue by a special resolution adopted under Section 62(1)(c) of the Companies Act 2013, passed at the extraordinary general meeting of our Company held on August 11, 2016.

## GENERAL INFORMATION

Our Company was originally incorporated on 15<sup>th</sup> April, 2011 as ‘Veeram T.V. Network Private Limited’ under the provisions of the Companies Act, 1956 with the Registrar of Companies, Ahmedabad, Gujarat (the “RoC”). Subsequently, the name of our Company was changed Veeram Spiritual Energies Private Limited and fresh certificate of incorporation consequent upon change of name was issued by the Roc on 26<sup>th</sup> February 2014. Subsequently, the name of our Company was changed to Veeram Ornaments Private Limited vide fresh certificate of incorporation dated **10<sup>th</sup> June, 2016**. Our Company was converted into a public limited company pursuant to a special resolution passed by our shareholders at the EGM held on June 24, 2016 and the name of our Company was changed to Veeram Ornaments Limited. A fresh certificate of incorporation was issued by the RoC on 26<sup>th</sup> July, 2016. For further details, please refer to the chapter titled ‘*History and Certain Corporate Matters*’ beginning on page 115 of this Draft Prospectus.

Brief Company and Issue Information	
<b>Registered Office</b>	Shop No. 2, Naroda Pride, Nr. Padmavati Society, Naroda-Nikol Road, Ahmedabad Gujarat 382350 India Tel-+079- 22812568 Email : info@veeramornaments.com Website- <a href="http://www.veeramornaments.com">www.veeramornaments.com</a>
<b>Date of Incorporation</b>	15 <sup>th</sup> April, 2011
<b>Registration Number</b>	064964
<b>Corporate Identification Number</b>	U74110GJ2011PLC064964
<b>Company Category</b>	Company Limited by Shares
<b>Company Sub Category</b>	Indian Non Government Company
<b>Address of the Registrar of Companies</b>	<b>Registrar of Companies, ,Gujarat</b> Roc Bhawan,Opp. Rupal Park, Near Ankur Bus Stand,Naranpur, Ahmedabad-380013. Gujarat India
<b>Designated Stock Exchange</b>	BSE SME PLATFORM Registered Office: 25 <sup>th</sup> Floor P J Towers, Dalal Street Fort,Mumbai-400001
<b>Issue Programme</b>	<b>Issue Opens on: [*]</b> <b>Issue Closes on: [*]</b>
<b>Company Secretary and Compliance Officer</b>	Ms. Noopur Prakash Jain Shop No. 2, Naroda Pride, Nr. Padmavati Society, Naroda-Nikol Road,Ahmedabad Gujarat 382350 India Tel: Tel-+079- 22812568 Email: cs@veeramornaments.com
<b>Chief Financial Officer</b>	Chirag Champaklal Valani Shop No. 2, Naroda Pride, Nr. Padmavati Society, Naroda-Nikol Road,Ahmedabad Gujarat 382350 India Tel-+079- 22812568 Email: cfo@veeramornaments.com

For details of change in the name and Registered Office of our Company, please refer to the chapter titled ‘*History and Certain Corporate Matters*’ beginning on page 115 of this Draft Prospectus.

**Note: Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre or post-Issue related problems, such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account.**

All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The applicant should give full details such as name of the sole or first applicant, ASBA Form number, applicant DP ID, Client ID, PAN, date of the ASBA Form, address of the applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the applicant. Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

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

### **Our Board of Directors**

The following table sets out details regarding our Board as on the date of this Draft Prospectus:

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>	<b>DIN</b>	<b>Address</b>
1	Mahendrabhai Ramniklal Shah	Managing Director	03144827	B-1 Payal Park Society Saijpur Bogha Ahmedabad 382346 Gujarat India
2	Rakshit Mahendra Shah	Executive Director	03461560	BL No. 36, Shreyas Park Co op H Soc B/H Satellite Station Jodhpur Tekr a Ahmedabad 380054 Gujarat India
3	Pinal Rakshitbhai Shah	Non Executive & Non Independent Director	06799639	36, Shreyas Park Society, Nr. Prematirth Bunglow 2 Opp. Sukirti Anexe, B/H. Isro, Satellite, Ahmedabad 380015 Gujarat India
4	Shankar Prasad Bhagat	Non Executive & Independent Director	01359807	B-9 Goyal Plaza Judges Bunglow Road, Vastrapur Ahmedabad 380015 Gujarat India
5	Manoharbhai Bharatbhai Chunara	Non Executive & Independent Director	07280916	1, Modi Compound, Bunglow Area Road, Saijpur Bogha, Ahmedabad 382345 Gujarat India

For detailed profile of our Board of Directors, refer to chapter titled '*Our Management*' on page 120 of this Draft Prospectus.

**Details of Key Intermediaries pertaining to this Issue and Our Company:**

<b>Lead Manager to the Issue</b> Gretex Corporate Services Private Limited Office No.13,Raja Bahadur Mansion (New Bansilal Building),9-15 Homi Modi Street, Near Bse,Fort,Mumbai-400023 Tel. No.: 022-40055273 / 9836822199 / 9836821999 Fax No : 022-40055273 Email: <a href="mailto:ipo@gretexgroup.com">ipo@gretexgroup.com</a> Website: <a href="http://www.gretexcorporate.com">www.gretexcorporate.com</a> SEBI Registration No.: INM000012177	<b>Legal Advisor to the Issue</b> Moh. Salim M.Mansuri 4658, Khamasa Chakla, Khatkiwad, Gollimda, Jamalpur, Ahmedabad Tel. No.:91- 9898936825 Email: mansurisalim50@gmail.com
<b>Registrar to the Issue</b> Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Finacial District, Nanakramguda, Hyderabad-500032 Tel No:+91 40 - 6716 2222 Fax No:+91 402343 1551 E-mail :einward.ris@karvy.com Website: <a href="http://www.karisma.karvy.com">www.karisma.karvy.com</a> SEBI Registration No: INR000000221	<b>Banker(S) to the Company</b> <b>Central Bank of India</b> <b>Sardar Patel Nagar Road,</b> <b>Navrangpura ,Ahmedabad -380006</b> Tel No:+91 079 - 26441673 Fax No:+91 079 26466309 E-mail :bmahme0553@centralbank.co.in Website: <a href="http://www.centralbankofindia.com">www.centralbankofindia.com</a> Contact Person: Anshuman Shah
<b>Auditors to the Company(Statutory Auditor)</b> M/S Dhaval Padiya & Company. Chartered Accountants F- 101, ShayonaTilak Residency, Opposite Devnandan Flat, New SG Road, Gota Ahmedabad -382481 FRN: 140653W Membership No.: 146291 Contact Person: Dhaval Padiya (Proprietor)	<b>Auditors to the Company (Peer Review Auditor)</b> M/S Devpura Navlakha & Company. Chartered Accountants403 Ashoka Complex, Nr Garden, Triangular Circle, 401 Sardar Patel Stadium Road, Ahmedabad-380014 Tel No: +91 7926422539 Email: <a href="mailto:devpuranavlakha@yahoo.co.in">devpuranavlakha@yahoo.co.in</a> FRN: 121975W Membership No.: 047390 Contact Person: Ashwini Devpura (Partner)
<b>Bankers to the Issue/Public Issue Bank/Refund Banker</b>	
[•]	

**Note:** M/S Devpura Navlakha & Company, **Chartered Accountants** are appointed as peer review auditors of our Company in compliance with section IX of part A of Schedule VIII of SEBI (ICDR) and holds a valid peer reviewed certificate dated 8th August, 2012 issued by the Institute of Chartered Accountants of India.

**Self Certified Syndicate Banks (SCSB's)**

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

**Statement of Responsibility of the Lead Manager/ Statement of inter se allocation of responsibilities**

Since Gretex Corporate Private Services Limited is the sole Lead Manager to the Offer, a statement of inter se allocation of responsibilities amongst Lead Managers is not required.

### Credit Rating

This being an Offer of Equity Shares, there is no requirement of credit rating.

### Trustees

This is being an Offer of Equity Shares; the appointment of trustee is not required.

### IPO Grading

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

### Brokers to the Offer

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

### Expert Opinion

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

Our Company has received consent from the Statutory Auditors of the Company to include their name as an expert in this Draft Prospectus in relation to the (a) Statutory Auditors' reports on the restated Audited financial statements; and (b) Statement of Tax Benefits by the Statutory Auditors and such consent has not been withdrawn as on the date of this Draft Prospectus.

### APPRAISAL AND MONITORING AGENCY

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

### Underwriter(s) to the Offer

The Issue is 100% Underwritten.

Pursuant to the terms of the Underwriting Agreement dated [●], entered into by us with Underwriter - Gretex Corporate Services Private Limited, the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Details of the Underwriter	No of shares underwritten	Amount Underwritten (Rs in lakhs)	% of Total Issue Underwritten
Gretex Corporate Services Private Limited Office No.13,Raja Bahadur Mansion (New Bansilal Building), 9-15 Homi Modi Street,Near Bse,Fort,Mumbai-400023,Tel. No.: 022-40055273 Email: <a href="mailto:info@gretexgroup.com">info@gretexgroup.com</a> Website:www.gretexcorporate.com SEBI Registration No: INR000000221	[●]	[●]	[●]
[●]	[●]	[●]	[●]
<b>Total</b>	[●]	[●]	[●]

\*Includes 57,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in its OWN account in order to claim compliance with the requirements of Regulation 106 V (4) of the SEBI (ICDR) Regulations, 2009, as amended. In the opinion of the Board of Directors of our Company, the resources of the above mentioned Underwriter are sufficient to enable them to discharge their respective obligations in full.

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

Our Company and the Lead Manager have entered into a tripartite agreement dated [\*] with the following Market Maker, duly registered with BSE Limited to fulfill the obligations of Market Making:

Name	[•]
Address	[•]
Telephone Number	[•]
Fax Number	[•]
Email	[•]
Website	[•]
Contact Person	[•]
SEBI Registration Number	[•]

[•], registered with SME segment of BSE 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.

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

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be Rs. 1,00,000. However, the investors with holdings of value less than Rs. 1,00,000 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
4. There would not be more than 5 (Five) Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
5. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
6. The Marker maker may also be present in the opening call auction, but there is no obligation on him to do so.

7. 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.
8. The Market Maker(s) shall have the right to terminate said arrangement by giving a three months notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).
9. In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations, 2009. Further 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 not exceeding 5 (Five) or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on working days.
10. SME of BSE will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.

The price band shall be 20% and the market maker spread (difference between the sell and Market Maker to the Offer.

11. **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 Rs 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 price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time

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

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

## CAPITAL STRUCTURE

The Equity Share Capital of the Company as on the date of this Draft Prospectus, before and after the Issue, is set forth

(Rupees in Lakhs, except share data)

Sl. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue Price
<b>A</b>	<b>Authorised Share Capital</b>		
	43,31,000 Equity Shares having face value of Rs.10/- each	433.10	-
<b>B</b>	<b>Issued, Subscribed and Paid-Up Share Capital before the Issue</b>		
	31,73,015 Equity Shares of face value of Rs.10/- each	317.30	-
<b>C</b>	<b>Present Issue in terms of this Draft Prospectus</b>		
	11,37,000 Equity Shares of face value of Rs. 10/- each for cash at a price of Rs. 45/- per share	113.70	511.65
	<b>Consisting :</b>		
	<b>Reservation for Market Maker</b> - 57,000 Equity Shares of face value of Rs. 10/- each for cash at a price of Rs.45/- per share	5.70	25.65
	<b>Net Issue to the Public</b> of 10,80,000 Equity Shares of face value of Rs. 10/- each for cash at a price of Rs. 45/- per share	108.00	486.00
	<b>Of the Net Issue to the Public</b>		
	<b>Allocation to Retail Individual Investors-</b> 540,000 Equity Shares of face value of Rs.10/- each at a price of Rs. 45/- per Equity Share shall be available for allocation for Investors applying for a value of upto Rs. 2 Lakhs	54.00	243.00
	<b>Allocation to Other than Retail Individual Investors-</b> 5,40,000 Equity Shares of face value of Rs.10/- each at a price of Rs. 45/- per Equity Share shall be available for allocation for Investors applying for a value above Rs. 2 Lakhs	54.00	243.00
<b>D</b>	<b>Issued, Subscribed and Paid-Up Share Capital after the Issue</b>		
	43,10,015 Equity Shares of face value of Rs.10/- each	431.00	1939.51
<b>E</b>	<b>Securities Premium Account</b>		
	Before the Issue	66.40	
	After the Issue	464.35	

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on 1<sup>st</sup> August, 2016, and by the members of our Company vide a special resolution passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on 11<sup>th</sup> August, 2016.

Our Company has only one class of share capital i.e. Equity Shares of face value of Rs. 10/- each only. All Equity Shares issued are fully paid-up.

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

## NOTES FORMING PART OF CAPITAL STRUCTURE

### 1. Changes in the Authorised Share Capital of our Company:

Date of Shareholders' Meeting	Existing Authorised Share Capital			Additional Authorised Share Capital			Cumulative Authorised Share Capital			Meeting AGM / EGM
	No. of Shares	Rs. / Share	Amount (Rs.)	No. of Shares	Rs / Share	Amount (Rs.)	No. of Shares	Rs / Share	Amount (Rs.)	
On Incorporation	-	-		10,000	10	1,00,000	10,000	10	1,00,000	-
31-Mar-2014	10,000	10	1,00,000	1,00,000	10	10,00,000	1,10,000	10	11,00,000	EGM
16-Jan-2016	1,10,000	10	11,00,000	3,90,000	10	39,00,000	5,00,000	10	50,00,000	EGM
24-Jun-2016	5,00,000	10	50,00,000	25,00,000	10	2,50,00,000	30,00,000	10	3,00,00,000	EGM
18-Jul-2016	30,00,000	10	3,00,00,000	11,40,000	10	1,14,00,000	41,40,000	10	4,14,00,000	EGM
30-Jul-2016	41,40,000	10	4,14,00,000	1,10,000	10	11,00,000	42,50,000	10	4,25,00,000	EGM
11-Aug-2016	42,50,000	10	4,25,00,000	81,000	10	8,10,000	43,31,000	10	4,33,10,000	EGM

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

Date of allotment	No. of equity shares Allotted	Face Value (Rs.)	Issuing Price (Rs.)	Nature of Consideration	Nature of allotment	Securities Premium (Rs.)	Cumulative number of equity shares	Cumulative Paid-Up Capital (Rs.)	Cumulative Securities Premium (Rs.)
15-Apr-2011	10,000	10	10	Cash	Subscription to Memorandum <sup>(1)</sup>	-	10,000	1,00,000	-
29-Feb-2016	2,77,780	10	90	Cash	Preferential Allotment <sup>(2)</sup>	2,22,22,400	2,87,780	28,77,800	2,22,22,400
31-Mar-2016	55,555	10	90	Cash	Preferential Allotment <sup>(3)</sup>	44,44,400	3,43,335	34,33,350	2,66,66,800
20-Jul-2016	27,46,680	10	-	Nil	Bonus <sup>(4)</sup>	-	30,90,015	3,09,00,150	-
01-Aug-2016	83,000	10	90	Cash	Preferential Allotment <sup>(5)</sup>	66,40,000	31,73,015	3,17,30,150	66,40,000

3. List of Allottees as per allotment details mentioned above:

- (1) Initial Subscribers to the Memorandum of Association holds 10,000 Equity Shares each of face value of Rs.10/- fully paid up as per the details given below:

Sl. No.	Name of Allottees	No. of Shares
1.	Ashwinkumar Rasiklal Shah	4,000
2.	Nilamben Ashwinkumar Shah	3,000
3.	Rakshit Mahendra Shah	3,000
<b>Total</b>		<b>10,000</b>

- (2) The Company allotted 277,780 Equity Shares of face value of Rs.10/- each at premium of Rs.80/- per share of Preferential Allotment on 29<sup>th</sup> February, 2016 as per the details given below:

Sl. No.	Name of Allottees	No. of Shares
1.	Pinal Rakshitbhai Shah	1,38,890
2.	Arunaben M. Shah	1,38,890
<b>Total</b>		<b>2,77,780</b>

- (3) The Company allotted 55,555 Equity Shares of face value of Rs.10/- each at a premium of Rs.80/- per share of Preferential Allotment on 31<sup>st</sup> March, 2016 as per the details given below:

Sl. No.	Name of Allottees	No. of Shares
1.	Pinal Rakshitbhai Shah	55,555
<b>Total</b>		<b>55,555</b>

- (4) The Company allotted 2,746,680 Equity Shares as Bonus Shares of face value of Rs. 10/- each in the ratio of 8 Equity Shares for every 1 Equity Share held as per the details given below:

Sl. No.	Name of Allottees	No. of Shares
1.	Yagneshbhai Gandhi	44,448
2.	Yagneshbhai Gandhi HUF	44,448
3.	Mehulbhai Gandhi	44,448
4.	Mehulbhai Gandhi HUF	44,448
5.	Nitinbhai Gandhi	44,448
6.	Nitinbhai Gandhi HUF	44,448
7.	Sureshkumar Gandhi HUF	44,448
8.	Divyaben Gandhi	44,448
9.	Payalben Gandhi	44,448
10.	Nipaben Gandhi	44,448
11.	Devilaben Gandhi	44,448
12.	Pinaben J. Shah	1,24,448
13.	Jigishbhai Shah HUF	1,24,448
14.	Akshaybhai Mehta	88,888
15.	Varshaben Mehta	44,448
16.	Hitenbhai Shah	2,00,000
17.	Kiritbhai Patel	1,24,448
18.	Pinal Rakshitbhai Shah	11,03,072
19.	Rakshit Mahendra Shah	4,48,000
<b>Total</b>		<b>27,46,680</b>

- (5) The Company issued 83,000 Equity Shares by conversion of unsecured loan into equity of face value of Rs. 10/- each at a premium of Rs.80/- per share as per the details given below:

Sl. No.	Name of Allottees	No. of Shares
1.	Pinal Rakshitbhai Shah	71,889
2.	Rakshit Mahendra Shah	11,111
<b>Total</b>		<b>83,000</b>

#### 4. Issue of Equity Shares Other than Cash:

We have not issued any Equity Shares for consideration other than cash except as mentioned below:

Date of Allotment	No. of Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Allottees	No. of Shares Allotted
20-Jul-2016	27,46,680	10	-	Bonus Issue of Equity Shares in the ratio of 8:1 ( In the ration of 8 Equity Shares for every 1 Equity Share held by the existing Shareholder)	Yagneshbhai Gandhi	44,448
					Yagneshbhai Gandhi HUF	44,448
					Mehulbhai Gandhi	44,448
					Mehulbhai Gandhi HUF	44,448
					Nitinbhai Gandhi	44,448
					Nitinbhai Gandhi HUF	44,448
					Sureshkumar Gandhi HUF	44,448
					Divyaben Gandhi	44,448
					Payalben Gandhi	44,448
					Nipaben Gandhi	44,448
					Devilaben Gandhi	44,448
					Pinaben J. Shah	1,24,448
					Jigishbhai Shah HUF	1,24,448
					Akshaybhai Mehta	88,888
					Varshaben Mehta	44,448
					Hitenbhai Shah	2,00,000
					Kiritbhai Patel	1,24,448
Pinal Rakshitbhai Shah	11,03,072					
Rakshit Mahendra Shah	4,48,000					
<b>Total</b>					<b>27,46,680</b>	

5. Except as mentioned below, no Equity shares have been issued at price below Issue price within last one year from the date of the Draft Prospectus.

Date of Allotment	Allottees	No. of Shares Allotted	Category of Allottees	Face Value (Rs.)	Issue Price (Rs.)	Reason for Allotment
20-Jul-2016	Yagneshbhai Gandhi	44,448	Public	10	-	Bonus Issue of Equity Shares in the ratio of 8:1 ( In the ration of 8 Equity Shares for every 1 Equity Share held by the existing Shareholder)
	Yagneshbhai Gandhi HUF	44,448	Public			
	Mehulbhai Gandhi	44,448	Public			
	Mehulbhai Gandhi HUF	44,448	Public			
	Nitinbhai Gandhi	44,448	Public			
	Nitinbhai Gandhi HUF	44,448	Public			
	Sureshkumar Gandhi HUF	44,448	Public			
	Divyaben Gandhi	44,448	Public			
	Payalben Gandhi	44,448	Public			
	Nipaben Gandhi	44,448	Public			
	Devilaben Gandhi	44,448	Public			
	Pinaben J. Shah	1,24,448	Public			
	Jigishbhai Shah HUF	1,24,448	Public			
	Akshaybhai Mehta	88,888	Public			
	Varshaben Mehta	44,448	Public			
	Hitenbhai Shah	2,00,000	Public			
Kiritbhai Patel	1,24,448	Public				
Pinal Rakshitbhai Shah	11,03,072	Promoter				
Rakshitbhai Mahendra Shah	4,48,000	Promoter				

6. Details of Shareholding of Promoters

As on the date of this Draft Prospectus, our Promoters Pinal Rakshitbhai Shah and Rakshit Mahendra Shah holds 51.90% Equity Shares of our Company. None of the Equity Shares held by our Promoters are subject to any pledge.

Set forth below is the build-up of the shareholding of our Promoters in our Company since incorporation.

Date of Allotment and made fully paid up / Acquisition/ Transfer	Nature of Transactions	Nature of Consideration	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Cumulative number of Equity Shares	Pre-issue share holding %	Post - issue share holding %
<b>A. Pinal Rakshitbhai Shah</b>								
30-Sep-2014	Transfer from Ashwinkumar R Shah	Cash	4,000	10	10	4,000	0.13	0.09
29-Feb-2016	Conversion of Creditors	Other than Cash	1,38,890	10	90	1,42,890	4.38	3.22
31-Mar-2016	Conversion of Unsecured Loan	Cash	55,555	10	90	1,98,445	1.75	1.29
12-May-2016	Transfer to Yagneshbhai Gandhi	Cash	(5,556)	10	90	1,92,889	(0.18)	(0.13)
12-May-2016	Transfer to Mehulbhai Gandhi	Cash	(5,556)	10	90	1,87,333	(0.18)	(0.13)
12-May-2016	Transfer to Nitinbhai	Cash	(5,556)	10	90	1,81,777	(0.18)	(0.13)

	Gandhi							
12-May-2016	Transfer to Divyaben Gandhi	Cash	(5,556)	10	90	1,76,221	(0.18)	(0.13)
12-May-2016	Transfer to Payalben Gandhi	Cash	(5,556)	10	90	1,70,665	(0.18)	(0.13)
12-May-2016	Transfer to Nipaben Gandhi	Cash	(5,556)	10	90	1,65,109	(0.18)	(0.13)
12-May-2016	Transfer to Devilaben Gandhi	Cash	(5,556)	10	90	1,59,553	(0.18)	(0.13)
12-May-2016	Transfer to Pinaben J Shah	Cash	(15,556)	10	90	1,43,997	(0.49)	(0.36)
12-May-2016	Transfer to Jigishbhai Shah-Huf	Cash	(15,556)	10	90	1,28,441	(0.49)	(0.36)
12-May-2016	Transfer to Akshaybhai Mehta	Cash	(11,111)	10	90	1,17,330	(0.35)	(0.26)
12-May-2016	Transfer to Varshaben Mehta	Cash	(5,556)	10	90	1,11,774	(0.18)	(0.13)
12-May-2016	Transfer to Hitenbhai Shah	Cash	(16,662)	10	90	95,112	(0.53)	(0.39)
12-May-2016	Transfer to Kiritbhai Patel	Cash	(15,556)	10	90	79,556	(0.49)	(0.36)
14-Jul-2016	Transfer from Arunaben M Shah	Cash	58,328	10	90	1,37,884	1.84	1.35
20-Jul-2016	Bonus Shares	Other than Cash	11,03,072	10	-	12,40,956	34.76	25.61
22-Jul-2016	Transfer to Mahendrabhai M Shah	Cash	(10,000)	10	10	12,30,956	(0.32)	(0.23)
22-Jul-2016	Transfer to Rakshit Mahendra Shah	Cash	(2,50,000)	10	10	9,80,956	(7.88)	(5.80)
22-Jul-2016	Transfer to Rakshit Mahendra Shah HUF	Cash	(1,20,000)	10	10	8,60,956	(3.78)	(2.79)
25-Jul-2016	Transfer to Hitenbhai Mehta	Cash	(10,000)	10	10	8,50,956	(0.32)	(0.23)
01-Aug-2016	Conversion of Unsecured Loan	Cash	71,889	10	90	9,22,845	2.27	1.67
<b>Total (A)</b>			<b>9,22,845</b>				<b>29.08</b>	<b>21.43</b>
<b>B. Rakshitbhai Mahendra Shah</b>								
15-Apr-2016	Subscription to the Memorandum	Cash	3,000	10	10	3,000	0.09	0.07
30-Sep-2014	Transfer from Nilamben Ashwinkumar Shah	Cash	3,000	10	10	6,000	0.09	0.07
14-Jul-2016	Transfer from Arunaben M Shah	Cash	50,000	10	90	56,000	1.58	1.16
20-Jul-2016	Bonus Shares	Other than Cash	4,48,000	10	-	5,04,000	14.12	10.40
22-Jul-2016	Transfer from Pinal Rakshitbhai Shah	Cash	2,50,000	10	10	7,54,000	7.88	5.80
22-Jul-2016	Transfer to Mahendrabhai M Shah	Cash	(5,000)	10	10	7,49,000	(0.16)	(0.12)

22-Jul-2016	Transfer to Mahendrabhai Shah Huf	Cash	(18,000)	10	10	7,31,000	(0.57)	(0.42)
22-Jul-2016	Transfer to Vasantbala M Shah	Cash	(18,000)	10	10	7,13,000	(0.57)	(0.42)
01-Aug-2016	Conversion of Unsecured Loan	Cash	11,111	10	90	7,24,111	0.35	0.26
<b>Total (A)</b>			<b>7,24,111</b>				<b>22.82</b>	<b>16.81</b>
<b>Grand Total (A + B)</b>			<b>16,46,956</b>				<b>51.90</b>	<b>38.24</b>

#### 7. Promoters' Contribution and other Lock-In details:

##### Details of Promoters' contribution locked in for three years:

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

Name of Promoter	No. of Shares	% of Pre Issue Paid up Equity capital	% of Post Issue Paid up Equity capital
Rakshit Mahendra Shah	7,24,111	22.82	17.06
Pinal Rakshitbhai Shah	1,89,772	5.98	4.47
<b>TOTAL</b>	<b>9,13,883</b>	<b>28.80</b>	<b>21.53</b>

The lock-in shall start from the date of allotment in the proposed public issue & the last date of lock-in shall be reckoned as three years from the date of allotment in the public issue. The Equity Shares to be locked-in for a period of three years have been computed as 20.00% of the equity capital after the issue.

Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as promoters under the SEBI Regulations. Our Promoters have given their written consent for inclusion of the aforesaid Equity Shares as a part of Promoter's contribution which is subject to lock-in for a period of 3 years.

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

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

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

#### 8. Details of share capital locked in for one year

In addition to minimum 20% of the Post-Issue shareholding of our Company held by the Promoters (locked in for three years as specified above), in accordance with regulation 36 of SEBI (ICDR) Regulations, the entire pre-issue share capital of our Company shall be locked in for a period of one year from the date of Allotment in this Issue.

The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment, in accordance with regulation 37 of SEBI (ICDR) Regulations, in the Issue may be transferred to any other person holding 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 Takeover Regulations.

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

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

### 10. Shareholding pattern of our Company:

The table below presents the shareholding pattern of our Company of the Equity Shares before the proposed Issue:

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV) + (V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including warrant (X))	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights			Total as a % of (A+B+C)			No (a)	As a % of total Shares held (b)	No (a)	As a % of total Shares held (b)	
								Class Equity	Classes eg. Y	Total								
(A)	Promoter & Promoter Group	6	18,17,956	0	0	18,17,956	57.29	18,17,956	0	18,17,956	57.29	0	57.29	0	0.00	0	0.00	0
(B)	Public	18	13,55,059	0	0	13,55,059	42.71	13,55,059	0	13,55,059	42.71	0	42.71	0	0.00	0	0.00	0
(C)	Non Promoter-Non Public	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(C1)	Shares underlying DRs	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	<b>Total</b>	<b>24</b>	<b>31,73,015</b>	<b>0</b>	<b>0</b>	<b>31,73,015</b>	<b>100.00</b>	<b>31,73,015</b>	<b>0</b>	<b>31,73,015</b>	<b>100.00</b>	<b>0</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>

### 11. Shareholding of Our Promoter and Promoter Group

Following are the details of the holding of securities (including shares, warrants, convertible securities) of person belonging to the category "Promoters and Promoter Group".

Sl. No.	Name of Shareholders	Pre-Issue		Post Issue	
		No. of Shares	% of Holding	No. of Shares	% of Holding
<b>Promoters</b>					
1	Pinal Rakshitbhai Shah	9,22,845	29.08	9,22,845	21.41
2	Rakshit Mahendra Shah	7,24,111	22.82	7,24,111	16.80
<b>Promoters Group</b>					
1	Mahendrabhai Manchandlal Shah	15,000	0.47	15,000	0.35
2	Mahendrabhai Manchandlal Shah HUF	18,000	0.57	18,000	0.42
3	Vasantbala M. Shah	18,000	0.57	18,000	0.42
4	Rakshit Mahendra Shah HUF	120,000	3.78	120,000	2.79

### 12. Average Cost of Acquisition by our Promoters

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

Name of Promoters	No. of Shares held	Average Cost of Acquisition
Pinal Rakshitbhai Shah	9,22,845	15.89
Rakshit Mahendra Shah	7,24,111	10.56

13. Except as provided below, no persons belonging to the category "Public" holds securities (including shares, warrants, convertible securities) of more than 1% of the total number of shares.

Sl. No.	Name of Shareholder	No. of Shares held	% of Pre-Issue Capital
1	Hitenbhai Shah	2,25,000	7.09
2	Pinaben J. Shah	1,40,004	4.41
3	Jigishbhai Shah Huf	1,40,004	4.41
4	Kiritbhai Patel	1,40,004	4.41
5	Akshaybhai Mehta	99,999	3.15
6	Yagneshbhai Gandhi	50,004	1.58
7	Yagneshbhai Gandhi Huf	50,004	1.58
8	Mehulbhai Gandhi	50,004	1.58
9	Mehulbhai Gandhi Huf	50,004	1.58
10	Nitinbhai Gandhi	50,004	1.58
11	Nitinbhai Gandhi Huf	50,004	1.58
12	Sureshkumar Gandhi Huf	50,004	1.58
13	Divyaben Gandhi	50,004	1.58
14	Payalben Gandhi	50,004	1.58
15	Nipaben Gandhi	50,004	1.58
16	Devilaben Gandhi	50,004	1.58
17	Varshaben Mehta	50,004	1.58

#### 14. Equity Shares held by top ten shareholders

- a. Details of top ten shareholders as on the date of filing this Draft Prospectus and 10 days prior filing of this Draft Prospectus are as follows:

Sl. No.	Name of Shareholders	No. of Shares	% of Pre-Issue Capital
1	Pinal Rakshitbhai Shah	9,22,845	29.08
2	Rakshit M. Shah	7,24,111	22.82
3	Hitenbhai Shah	2,25,000	7.09
4	Pinaben J. Shah	1,40,004	4.41
5	Jigishbhai Shah HUF	1,40,004	4.41
6	Kiritbhai Patel	1,40,004	4.41
7	Rakshit M. Shah HUF	1,20,000	3.78
8	Akshaybhai Mehta	99,999	3.15
9	Yagneshbhai Gandhi	50,004	1.58
10	Yagneshbhai Gandhi HUF	50,004	1.58
	Mehulbhai Gandhi	50,004	1.58
	Mehulbhai Gandhi Huf	50,004	1.58
	Nitinbhai Gandhi	50,004	1.58
	Nitinbhai Gandhi Huf	50,004	1.58
	Sureshkumar Gandhi Huf	50,004	1.58
	Divyaben Gandhi	50,004	1.58
	Payalben Gandhi	50,004	1.58
	Nipaben Gandhi	50,004	1.58
	Devilaben Gandhi	50,004	1.58
	Varshaben Mehta	50,004	1.58

- b. Details of top three shareholders of our Company as on two years prior to the date of filing of this Draft Prospectus are as follows:

Sl. No.	Name of Shareholders	No. of Shares*	% of Pre-Issue Capital
1	Ashwinkumar Rasiklal Shah	4,000	0.13
2	Nilamben Ashwinkumar Shah	3,000	0.09
3	Rakshit Mahendra Shah	3,000	0.09

*There were only 3 shareholders prior to two year of filing of this Draft Prospectus.*

\* As on the date of filing this Draft Prospectus, Ashwinkumar Rasiklal Shah & Nilamben Ashwinkumar Shah does not hold any shares of the Company and Rakshit Mahendra Shah holds 7,24,111 shares of the Company.

15. Except as set out below none of the members of the Promoter Group, the Promoter and its directors, or our Directors and their immediate relatives have no subscription to or purchased or sold any Equity Shares during the period of six months immediately preceding the date of filing of the Draft Prospectus with the Stock Exchange.

Date of Subscription/ Purchase / Sale	No. of Shares	Subscription/ Purchase / Sale Price	Nature of Transaction	Consideration	Category
<b>Pinal Rakshit Shah</b>					
31-Mar-2016	55,555	49,99,950	Conversion of Unsecured Loan into Equity Shares	Cash	Promoter / Director
12-May-2016	5,556	5,00,000	Transfer to Yagneshbhai Gandhi	Cash	Promoter / Director
	5,556	5,00,000	Transfer to Mehulbhai Gandhi	Cash	Promoter / Director
	5,556	5,00,000	Transfer to Nitinbhai Gandhi	Cash	Promoter / Director
	5,556	5,00,000	Transfer to Divyaben Gandhi	Cash	Promoter / Director
	5,556	5,00,000	Transfer to Payalben Gandhi	Cash	Promoter / Director
	5,556	5,00,000	Transfer to Nipaben Gandhi	Cash	Promoter / Director
	5,556	5,00,000	Transfer to Devilaben Gandhi	Cash	Promoter / Director
	15,556	14,00,000	Transfer to Pinaben J Shah	Cash	Promoter / Director
	15,556	14,00,000	Transfer to Jigishbhai Shah HUF	Cash	Promoter / Director
	11,111	10,00,000	Transfer to Akshaybhai Mehta	Cash	Promoter / Director
	5,556	5,00,000	Transfer to Varshaben Mehta	Cash	Promoter / Director
	16,662	15,00,000	Transfer to Hitenbhai Shah	Cash	Promoter / Director
	15,556	14,00,000	Transfer to Kiritbhai Patel	Cash	Promoter / Director
14-Jul-2016	58,328	52,49,520	Transfer from Arunaben M Shah	Cash	Promoter / Director
20-Jul-2016	11,03,072	-	Bonus Shares Issued	Other than Cash	Promoter / Director
22-Jul-2016	10,000	1,00,000	Transfer to Mahendrabhai M Shah	Cash	Promoter / Director
22-Jul-2016	2,50,000	25,00,000	Transfer to Rakshit Mahendra Shah	Cash	Promoter / Director
22-Jul-2016	1,20,000	12,00,000	Transfer to Rakshit Mahendra Shah HUF	Cash	Promoter / Director
25-Jul-2016	10,000	100,000	Hitenbhai Mehta	Cash	Promoter / Director
01-Aug-2016	71,889	64,70,000	Conversion of Unsecured Loan into Equity Shares	Cash	Promoter / Director
<b>Rakshit Mahendra Shah</b>					
14-Jul-2016	50,000	45,00,000	Transfer from Arunaben M Shah	Cash	Promoter / Director

20-Jul-2016	4,48,000	-	Bonus Shares Issued	Other than Cash	Promoter / Director
22-Jul-2016	5,000	50,000	Transfer to Mahendrabhai M Shah	Cash	Promoter / Director
	18,000	1,80,000	Transfer to Mahendrabhai M Shah HUF	Cash	Promoter / Director
	18,000	1,80,000	Transfer to Vasantbala M Shah	Cash	Promoter / Director
	2,50,000	25,00,000	Transfer from Pinal Rakshit Shah	Cash	Promoter / Director
01-Aug-2016	11,111	10,00,000	Conversion of Unsecured Loan into Equity Shares	Cash	Promoter / Director
<b>Mahendrabhai Manchndlal Shah</b>					
22-Jul-2016	5,000	50,000	Transfer from Rakshit Mahendra Shah	Cash	Promoter Group
	10,000	100,000	Transfer from Pinal Rakshit Shah	Cash	Promoter Group
<b>Mahendrabhai Manchndlal Shah HUF</b>					
22-Jul-2016	18,000	1,80,000	Transfer from Rakshit Mahendra Shah	Cash	Promoter Group
<b>Vasantbala M. Shah</b>					
22-Jul-2016	18,000	1,80,000	Transfer from Rakshit Mahendra Shah	Cash	Promoter Group
<b>Rakshit M. Shah HUF</b>					
22-Jul-2016	1,20,000	12,00,000	Transfer from Pinal Rakshit Shah	Cash	Promoter Group

16. No Equity Shares have been allotted pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956.
17. Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
18. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
19. Neither the Lead Manager viz. Gretex Corporate Services Private Limited, nor their associates hold any Equity Shares of our Company as on the date of this Draft Prospectus.
20. Under-subscription in the net issue, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the SME Platform of BSE Limited.
21. As on the date of this Draft Prospectus, our Company has not allotted any Equity Shares pursuant to any Scheme approved under the Companies Act.
22. None of the Equity Shares held by our Promoters are subject to any pledge.
23. Our Promoters and Promoter Group will not participate in this Issue.
24. This Issue is being made through Fixed Price method.

25. There are no Equity Shares against which depository receipts have been issued.
26. Other than the Equity Shares, there are no other classes of securities issued by the Company.
27. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, right issue or in any other manner during the period commencing from the date of the Draft Prospectus until the Equity Shares have been listed. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the Issue, by way of split/ consolidation of the denomination of Equity Shares. However our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the listing of Equity Shares to finance an acquisition, merger, joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of the Company.
28. None of the persons/ entity comprising our Promoter Group, its Director or their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of any such entity / individual or otherwise during the period of six months immediately preceding the date of filing of this Draft Prospectus.
29. There is no "Buyback", "Standby", or similar arrangement for the purchase of Equity Shares by our Company/Promoters/Directors/Lead Manager for purchase of Equity Shares offered through this Draft Prospectus.
30. As on the date of this Draft Prospectus, none of the shares held by our Promoters/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans
31. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest multiple of minimum allotment lot, while finalizing the Basis of Allotment. Consequently, the actual Allotment may go up by the maximum of 10% of the Issue, as a result of which, the Post-Issue paid up capital after the Issue would also increase by the excess amount of Allotment so made. In such an event, the Equity Shares held by our Promoter and subject to lock-in shall be suitable increases; so as to ensure that a minimum of 20% of the Post Issue paid up capital in locked in.
32. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations, as amended from time to time.
33. There are no safety net arrangements for the public issue.
34. As per RBI regulations, OCBs are not allowed to participate in this Issue.
35. As on date of this Draft Prospectus there are no outstanding warrants, options or rights to convert debentures loans or other financial instrument into our Equity Share.
36. All the Equity Shares of our Company are fully paid up as on the date of the Draft Prospectus. Further, since the entire money in respect of the Issue is being called an application, all the successful applicants will be issued fully paid up equity shares.
37. Except, as otherwise disclosed in the chapter titled "Objects of the Issue" beginning on page 75 of this Draft Prospectus, we have not raised any bridge loans against the proceeds of the Issue.
38. Our Company has not issued any Equity Shares at a price less than the Issue Price in the last one year preceding the date of filing of this Draft Prospectus.

39. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
40. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
41. An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
42. No payment, direct or indirect in the nature of discounts, commission and allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
43. Our Company has not made any public issue since incorporation.
44. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Draft Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
45. Our Company has Twenty Four (24) members as on the date of filing of this Draft Prospectus.

## SECTION IV - PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Issue includes a fresh Issue of 11,37,000 Equity Shares of our Company at an Issue Price of Rs 45/- per Equity Share. We intend to utilize the proceeds of the Issue to meet the following objects:

1. To meet additional Working Capital Requirements
2. To Meet the Issue Expenses

(Collectively referred as the “objects”)

The other Objects of the Issue also include creating a public trading market for the Equity Shares of our Company by listing them on BSE. We believe that the listing of our Equity Shares will enhance our visibility and brand name and enable us to avail of future growth opportunities.

The main object clause of Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised by us through the present Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association.

#### Issue Proceeds

The details of the proceeds of the Issue are summarized in the table below.

S. No	Particulars	Amount(Rs in Lakhs)
a.	Gross Proceeds of the Issue	511.65
b.	Issue Expenses	45.00
c.	Net Proceeds of the Issue	466.65

#### Means of Finance

S. No	Particulars	Amount(Rs in Lakhs)
a.	Proceeds of the Issue	511.65

The entire requirement of funds is proposed to be funded through the proceeds of the Issue.

*Since the entire fund requirement are to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 4(2) (g) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue.*

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may, subject to compliance with applicable laws and regulations, also include rescheduling the proposed utilization of Issue Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Issue Proceeds. In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals, debt or equity financing. Also, any decreased fund requirements that lead to additional funds available for deployment as compared to the funding requirements mentioned below, the same shall be utilized as per the discretion of our management for general corporate purposes. In case of any delay in raising the funds proposed through this Issue, the company shall utilize its Internal Accruals to pay for the Issue related expenses till then.

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

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

No part of the issue proceeds will be paid as consideration to Promoters, Promoter Group, Group Entities, directors, Key Managerial Personnel and associates.

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

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "*Risk Factors*" beginning on page 13 of the Draft Prospectus.

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

##### **1. DETAILS OF UTILIZATION OF NET PROCEEDS OF THE FRESH ISSUE**

- ***Additional Working capital Requirement***

Our business is working capital intensive. We finance our working capital requirements from internal accruals and other sources.

As on March 31, 2015 and March 31, 2016 our Company's net working capital consisted of Rs. 10.32 lakhs and 315.86 lakhs respectively based on the restated financial statements.

The total working capital requirement for the year 2016-17 is expected to be Rs. 1,029.84 lakhs. The incremental working capital requirement for the year ending March 31, 2017 will be Rs. 713.98 lakhs, which will be met through the Net Proceeds to the extent of Rs. 466.65 lakhs, and the balance portion will be met through internal accruals.

#### **Basis of estimation of working capital requirement**

The details of our Company's working capital requirement and funding of the same are based on the audited and restated standalone financial statements as at March 31, 2015 and March 31, 2016 are as set out in the table below:

(Rupees in Lakhs)

Particulars	As on March 31	
	2015	2016
Current Assets		
Inventories		
Finished Goods	0.00	215.18
Trade Receivables	0.00	70.57
Cash & Bank Balances	13.96	17.11
Short term loans & advances & other current assets	0.62	16.48
<b>Total (A)</b>	<b>14.58</b>	<b>319.34</b>
Current Liabilities		
Other Current Liabilities & short term provisions	4.26	3.48
<b>Total (B)</b>	<b>4.26</b>	<b>3.48</b>
<b>Net Working Capital (A)-(B)</b>	<b>10.32</b>	<b>315.86</b>
Incremental Working Capital		305.54
<i>Sources of Incremental Working Capital</i>		
Internal accruals		305.54
<b>Total Source</b>		<b>305.54</b>

The details of our Company's expected working capital requirement as at March 31, 2017 is set out in the table below:

(Rs. In Lakhs)

Particulars	2016 - 17 (Estimated)
Current Assets	
Inventories	
Finished Goods	900.00
Trade Receivables	145.83
Cash & Bank Balances	34.60
Short term loans & advances & other current assets	22.50
<b>Total (A)</b>	<b>1,102.93</b>
Current Liabilities	
Other Current Liabilities & short term provisions	73.09
<b>Total (B)</b>	<b>73.09</b>
<b>Net Working Capital (A)-(B)</b>	<b>1,029.84</b>
<i>Incremental Working Capital *</i>	<b>713.98</b>
<i>Sources of Incremental Working Capital</i>	
Fresh Issue Proceeds	466.65
Internal accruals	247.33
<b>Total Source</b>	<b>713.98</b>

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

### Assumption for working capital requirements

Assumptions for Holding Levels\*

(In months)

Particulars	Holding Level as of March 31, 2015	Holding Level as of March 31, 2016	Holding Level as of March 31, 2017 (Estimated)
<b>Current Assets</b>			
Inventories			
Finished Goods	0	19.55	4.77
Trade Receivables	0	5.83	0.70
<b>Current Liabilities</b>			
Trade Payables	0	0	0

Our Company proposes to utilize Rs. 466.65 lakhs of Net Proceeds towards working capital requirements for meeting our business requirements.

The incremental working capital requirements are based on historical Company data and estimation of the future requirements in Financial Year 2016-17 considering the growth in activities of our Company. Our Company has assumed finished goods inventory of 4.77 months for the Financial Year 2016-2017. Our Debtors cycle was of about 5.83 months in Financial Year 2015-2016. Further, we expect our debtors circle to be 0.70 month in FY 2016-17. Similarly we have estimated current assets, current liabilities and short term provisions in line with working capital employed in past years and expected to be employed in Financial Year 2015-16.

#### Justification for "Holding Period" levels

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

Assets - Current Assets	
<b>Inventories</b>	In FY 2016-17 we have assumed finished goods inventory of around 5.17 months as turnover is increasing. (In last Financial Years since February the Company started its Operation)
<b>Trade receivables</b>	In FY 2016-17 the trade receivable holding period is estimated to decrease from 5.83 months in FY 2015-16 to 0.70 months. (In last Financial Years since February the Company started its Operation)
	The finished goods inventory position and debtors holding period is high as our Company started the operations in last quarter of FY 2016 and most of the trading goods were purchased and sales were made during the end of the Financial Year hence the same remain outstanding at the end of the Year.
Liabilities - Current Liabilities	
<b>Trade Payables</b>	The company has no creditors in FY 2014-15, 2015-16 and 2017-18. We strive to make on time payments to our suppliers so as to get the best price for the products.

## 2. Public Issue Expenses:-

The estimated Issue related expenses includes Issue Management Fee, Underwriting and Selling Commissions, Printing and Distribution Expenses, Legal Fee, Advertisement Expenses, Registrar's Fees, Depository Fee and Listing Fee. The total expenses for this Issue are estimated to be approximately Rs. 45 Lakhs (inclusive of all applicable taxes) which is 8.80% of the Issue Size. All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

Activity	Rs in Lakhs
Payment to Merchant Banker including underwriting and selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Registrars, etc <sup>^</sup>	35.00
Printing and Stationery and postage expenses	2.50
Advertising and Marketing expenses	2.50
Statutory and Other Expenses	5.00
<b>TOTAL</b>	<b>45.00</b>

### APPRAISAL

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

### MONITORING UTILIZATION OF FUNDS

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

### Funds Deployed and Source of Funds Deployed:

Our Statutory Auditors, M/s. Dhaval Padiya & Company, Chartered Accountants vide their certificate dated August 29, 2016 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt(Rs in Lakhs)
Issue Expenses	7.00

### Details of balance fund deployment

Sr. No.	Particulars	Expenses Already Incurred	( in Lakhs)	
			FY 2016-17	Total
1	Additional working capital requirements	0.00	466.65	466.65
2	Public Issue Expenses	7.00	38.00	45.00
	<b>Total</b>	<b>7.00</b>	<b>504.65</b>	<b>511.65</b>

The above funds were deployed from the Company's internal accruals.

### **Bridge Financing Facilities**

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

### **Interim Use of Proceeds**

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

### **Variation in Objects**

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

### **Other confirmations**

There is no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel and Group Entities, in relation to the utilization of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoter, our Directors or key managerial personnel or our Group Entities, except in the normal course of business and in compliance with the applicable laws.

## BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled “Risk Factors”, the details about our Company under the section titled “Business Overview” and its financial statements under the section titled “Financial Statements” beginning on page 13, page 105 and page 143 respectively of the Draft Prospectus. The trading price of the Equity Shares of Our Company could decline due to these risks and the investor may lose all or part of his investment.

The Issue Price is determined by our Company in consultation with the Lead Manager. The financial data presented in this section are based on our Companies restated financial statements. The face value of the Equity Shares is Rs.10/- each and the Issue Price is Rs.45/- which is 4.5 times of the face value.

### QUALITATIVE FACTORS

1. Locational Advantage
2. Promoter has been involved in the Jewellery business for more than ten years.
3. Experienced management team and a motivated & efficient work force.
4. Wide varieties of products and designs.

For details of Qualitative factors please refer to the section titled “Business Overview” beginning on page 105 of the Draft Prospectus.

### QUANTITATIVE FACTORS

Information presented in this section is derived from our Restated Financial Statements prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

#### 1. Basic Earnings Per Share (EPS)#:

Period	Basic and Diluted EPS (Rs.)	Weights
Fiscal 2016	19.89	3
Fiscal 2015	2.27	2
Fiscal 2014	3.43	1
<b>Weighted Average</b>	<b>11.27</b>	
30-June-2016*	8.06	-

\* Not annualized

#Notes:

- a. Basic earnings per share (Rs.) = Net profit after tax (as restated) attributable to shareholders divided by Weighted average number of equity shares outstanding during the year.
- b. Earnings per share calculations are in accordance with Accounting Standard 20 “Earnings per Share” prescribed by the Companies (Accounting Standard) Rules, 2006
- c. The face value of each Equity Share is Rs.10/-.

#### 2. Price to Earnings (P/E) ratio in relation to Issue Price of Rs.45/-:

Particulars	P/E at the Issue Price (Rs.45/-)
a. Based on EPS as on 31-March-2016 of Rs.19.89	2.26
b. Based on weighted average EPS of Rs.11.27	3.99

#### Peer Group P/E\*

Sl. No.	Particulars	P/E
1	Highest (Vaibhav Global Limited)	69.4
2	Lowest (Renaissance Jewellery Limited)	7.4
3	Average P/E of the Industry	33.7

\*Source: Capital Market Vol. XXXI/14 dated Aug 29 – Sep 11, 2016, Diamond Cutting/ Jewellery

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

Period	Return on Net Worth (%)	Weights
Fiscal 2016	2.21	3
Fiscal 2015	15.50	2
Fiscal 2014	29.61	1
<b>Weighted Average</b>	<b>11.21</b>	
30-June-2016*	8.34	

\* Not annualized

**Note:**

# Return on net worth (%) = Net Profit after tax as restated / Net worth at the end of the year

### 4. Minimum Return on increased Net Worth required to maintain pre-Issue EPS.

The minimum return on increased net worth required maintaining pre-Issue EPS for the year ended on 31<sup>st</sup> March, 2016:

- A) Based on Basic EPS of Rs.19.89 at the price of Rs.45/-
  - 75.82% on the restated financial statement.
- B) Based on Weighted Average Basic EPS of Rs.11.27 at the price of Rs.45/-
  - 42.96% on the restated financial statement.

### 5. Net Asset Value per Equity Share

Particulars	Amount (Rs.)
31-March-2016	89.79
30-June-2016*	96.69
NAV after Issue	21.31
<b>Issue Price</b>	<b>45.00</b>

\* Not annualized

**Note**

Net asset value per share (Rs.) = Net Worth at the end of the Year /Total number of equity shares outstanding at the end of the year

### 6. Comparison of Accounting Ratios with peer group \*

Name of Company	CMP <sup>@</sup>	Face Value (Rs.)	EPS (Rs.)	P/E	RoNW	NAV per Share (Rs.)
Veeram Ornaments Limited**	45.00	10.00	8.06	5.58	8.34	96.69
<b>Peer Group*</b>						
Gitanjali Gems Limited	45.40	10.00	4.50	8.90	0.70	274.90
Goldiam International Limited	72.60	10.00	6.10	11.20	5.30	75.20
PC Jeweller Limited	430.70	10.00	22.40	17.80	20.60	129.90
Renaissance Jewellery Limited	131.60	10.00	17.50	7.40	9.80	208.20
Thangamayil Jewellery Limited	279.80	10.00	7.50	34.90	7.90	100.20
Vaibhav Global Limited	315.00	10.00	5.40	66.70	-	146.40

**Notes:**

\* Source: Capital Market Vol. XXXI/13 dated Aug 15 - 28, 2016, Diamond Cutting / Jewellery

\*\* a. Based on Restated Financial Statements as on 30<sup>th</sup> June, 2016.

b. CMP of our Company is considered as Issue Price

@ Current Market Price (CMP) is the closing price of respective scripts as on 26<sup>th</sup> August, 2016.

7. The face value of Equity Shares of our Company is Rs.10/- per Equity Share and the Issue price is 4.5 times the face value.
8. The Issue Price of Rs.45/- is determined by our Company, in consultation with the Lead Manager is justified based on the above parameters. For further details, please refer to the section titled "Risk Factors" and "Business Overview" and "Financial Statements" beginning on page 13, 105 and 143, respectively of the Draft Prospectus.

## STATEMENT OF TAX BENEFITS

To,  
The Board of Directors  
**Veeram Ornaments Limited**  
Shop No. 2, Narode Pride,  
Nr. Padmavati Society,  
Naroda - Nikol Road,  
Ahmedabad - 382350

Dear Sirs,

**Sub: Statement of possible special tax benefits ("the Statement") available to Veeram Ornaments Limited ("the Company") and its shareholders prepared in accordance with the requirements in Schedule VIII- Clause (VII) (L) of the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2009, 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, 2016 (i.e applicable to Financial Year 2016-17 relevant to Assessment Year 2017-18), 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.

\*No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change.

We shall not be liable to 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.

**For DEVPURA NAVLAKHA & CO.**  
**Chartered Accountants**  
Firm Registration No.: 121975W

Ashwini Devpura  
**Membership No. 047390**  
**Partner**

**Place: Ahmedabad**  
**Date: 17/08/2016**

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

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India for the Financial Year 2016-17.

**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.

## SECTION V - ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

#### The Global Economy

##### Overview

Although financial markets have recovered most or all of the ground lost in the first quarter of 2016, global economic recovery has slowed due to fear of weakening of the Chinese economy and signs of distress in other large emerging markets, including from falling commodity prices and oil prices. According to the International Monetary Fund (the "IMF"), the baseline projection for global growth in 2016 is 3.2%, broadly in line with last year. The projected pickup in growth in 2017 (3.5%) hinges on rising growth in emerging market and developing economies, as growth in advanced economies is expected to remain modest. (Source: International Monetary Fund, World Economic Outlook, April 2016 (the "IMF Report")).

While growth in the emerging market still accounts for the majority of projected world growth in 2016, prospects across countries remain uneven and generally weaker than over the past two decades. In particular, a number of large emerging markets - including Brazil and Russia - are still mired in deep recessions. Others, including several oil-exporting countries, also face a difficult macroeconomic environment with sharply weaker terms of trade and tighter external financial conditions. (Source: IMF Report)

The real gross domestic product ("GDP") growth rates and expected real GDP growth rates for certain developed and developing economies are set out below:

Countries	2012	2013	2014	2015	2016	2017	2018
Brazil	1.9	3.0	0.1	-3.8	-3.8	0.0	2.0
China	7.7	7.7	7.3	6.9	6.5	6.2	6.0
Germany	0.6	0.4	1.6	1.5	1.5	1.6	1.2
<b>India</b>	<b>5.6</b>	<b>6.6</b>	<b>7.2</b>	<b>7.3</b>	<b>7.5</b>	<b>7.5</b>	<b>7.8</b>
Italy	-2.8	-1.7	-0.3	0.8	1.0	1.1	0.8
Russia	3.5	1.3	0.7	-3.7	-1.8	0.8	1.5
United Kingdom	1.2	2.2	2.9	2.2	1.9	2.2	2.1
United States of America	2.2	1.5	2.4	2.4	2.4	2.5	2.0

Source: IMF Report

#### The World Economy:

5. **IMF views on Global growth:** The global recovery has weakened further amid increasing financial turbulence. Activity softened toward the end of 2015 in advanced economies, and stresses in several large emerging market economies showed no signs of abating. Adding to these headwinds are a) concerns about the global impact of the unwinding of prior excesses in China's economy, as it transitions to a more balanced growth path after a decade of strong credit and investment growth, and b) signs of distress in other large emerging markets, including from falling commodity prices. With heightened risk aversion and increasing concerns about the lack of policy space, the valuation of risky assets as well as oil prices dropped sharply in early 2016. However, market sentiment began to improve in mid-February, and by the end of March 2016 market valuations had recovered most of or all the ground lost earlier in the year

6. **IMF views on growth in Advanced Economies:** Growth in advanced economies is projected to remain modest, in line with 2015 outcomes. Unfavourable demographic trends, low productivity growth, and legacies from the global financial crisis continue to hamper a more robust pickup in activity. While very accommodative monetary policy and lower oil prices will support domestic demand, still-weak external demand, further exchange rate appreciation—especially in the United States—and somewhat tighter financial conditions will weigh on the recovery. In the euro area, the risk of a de-anchoring of inflation expectations is a concern amid large debt overhangs in several countries.
7. **IMF views on growth in Developing Countries:** While growth in emerging market and developing economies still accounts for the lion’s share of projected world growth in 2016, prospects across countries remain uneven and generally weaker than over the past two decades. In particular, a number of large emerging markets—including Brazil and Russia—are still mired in deep recessions. Others, including several oil-exporting countries, also face a difficult macroeconomic environment with sharply weaker terms of trade and tighter external financial conditions. Growth in China and India has been broadly in line with projections, but trade growth has slowed down noticeably. The trade slowdown is related to the decline in investment growth across emerging market economies, which reflects rebalancing in China but also the sharp scaling down of investment in commodity exporters, particularly those facing difficult macroeconomic conditions.
8. **IMF views on India:** In India, growth is projected to notch up to 7.5 percent in 2016–17, as forecast in October. Growth will continue to be driven by private consumption, which has benefited from lower energy prices and higher real incomes. With the revival of sentiment and pickup in industrial activity, a recovery of private investment is expected to further strengthen growth.

**Exhibit 1: Overview of the World Economic Outlook Projections: April 2016**

	Year over Year					
	2014	2015	Projections		Difference from January 2016 WEO Update <sup>1</sup>	
			2016	2017	2016	2017
<b>World Output <sup>2</sup></b>	<b>3.4</b>	<b>3.1</b>	<b>3.2</b>	<b>3.5</b>	-0.2	-0.1
<b>Advanced Economies</b>	<b>1.8</b>	<b>1.9</b>	<b>1.9</b>	<b>2</b>	-0.2	-0.1
United States	2.4	2.4	2.4	2.5	-0.2	-0.1
Euro Area	0.9	1.6	1.5	1.6	-0.2	-0.1
Germany	1.6	1.5	1.5	1.6	-0.2	-0.1
France	0.2	1.1	1.1	1.3	-0.2	-0.2
Italy	-0.3	0.8	1.0	1.1	-0.3	-0.1
Spain	1.4	3.2	2.6	2.3	-0.1	0.0
Japan	0.0	0.5	0.5	-0.1	-0.5	-0.4
United Kingdom	2.9	2.2	1.9	2.2	-0.3	0.0
Canada	2.5	1.2	1.5	1.9	-0.2	-0.2
Other Advanced Economies <sup>2</sup>	2.8	2.0	2.1	2.4	-0.3	-0.4
<b>Emerging Market and Developing Economies</b>	<b>4.6</b>	<b>4.0</b>	<b>4.1</b>	<b>4.6</b>	-0.2	-0.1

Emerging and Developing Asia	6.8	6.6	6.4	6.3	0.1	0.1
ASEAN-5 <sup>4</sup>	4.6	4.7	4.8	5.1	0.0	0.0
Emerging and Developing Europe	2.8	3.5	3.5	3.3	0.4	-0.1
<b>BRICS Nations</b>						
Brazil	0.1	-3.8	-3.8	0.0	-0.3	0.0
Russia	0.7	-3.7	-1.8	0.8	-0.8	-0.2
<b>India<sup>3</sup></b>	<b>7.2</b>	<b>7.3</b>	<b>7.5</b>	<b>7.5</b>	0.0	0.0
China	7.3	6.9	6.5	6.2	0.2	0.2
South Africa	1.5	1.3	0.6	1.2	-0.1	-0.6

**Note:** Real effective exchange rates are assumed to remain constant at the levels prevailing during July 27–August 24, 2015. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted. Data for Lithuania are included in the euro area aggregates but were excluded in the April 2015 World Economic Outlook (WEO).

5. Difference based on rounded figures for both the current, January 2016 World Economic Outlook Update, and October 2015 World Economic Outlook forecasts.
6. Excludes the G7 (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.
7. For India, data and forecasts are presented on a fiscal year basis and GDP from 2011 onward is based on GDP at market prices with FY2011/12 as a base year.
8. Indonesia, Malaysia, Philippines, Thailand, Vietnam

Source: IMF

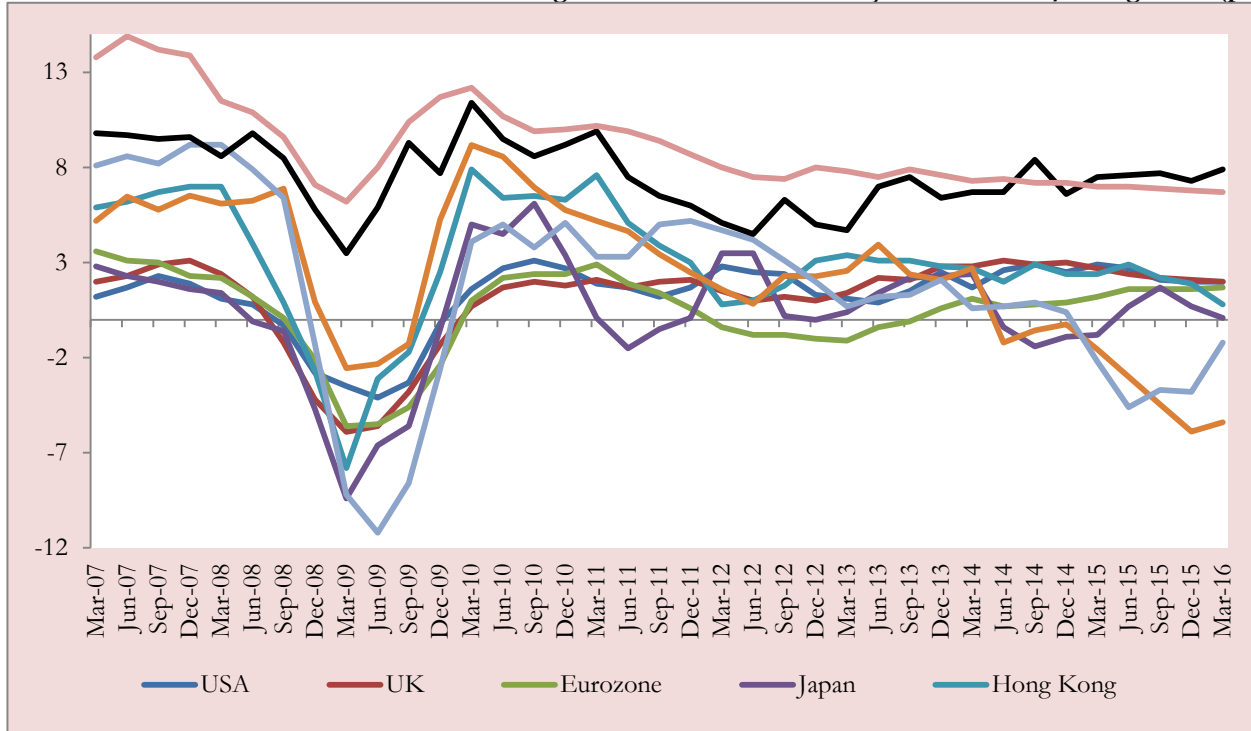
#### Exhibit2: Major Macroeconomic Indicators

	Country / Region	Quarterly Growth		Real GDP	CPI	Annual Inflation	Unemployment		Benchmark Interest Rate	
		YOY	QOQ				Rate	Rate		
Developed Countries	United States	2.1	Q1	1.1*	Q1	1.0	May-16	4.5	May-16	0.5
	United Kingdom	2.0	Q1	0.4	Q1	0.3	May-16	5.1	Mar-16	0.5
	Germany	1.6	Q1	0.7	Q1	0.1	May-16	5.5	May-16	-0.4
	France	1.4	Q1	0.6	Q1	0.0	May-16	10.1	May-16	-0.4
	Eurozone	1.7	Q1	0.6	Q1	-0.1	May-16	10.3	May-16	-0.4
	Japan	0.1	Q1	0.5	Q1	-0.4	May-16	3.2	May-16	-0.1
	Hong Kong	0.8	Q1	-0.4	Q1	2.6	May-16	3.2	May-16	0.8
BRIC	Brazil	-5.4	Q1	-0.3	Q1	9.3	May-16	11.2	May-16	14.3
	Russia	-1.2	Q1	-0.6	Q1	7.3	May-16	5.6	May-16	10.5
	India	7.9	Q1	NA	NA	5.8	May-16	NA	NA	6.5
	China	6.7	Q1	NA	NA	2.0	May-16	4.0	Mar-16	4.4
Other EMs	South Korea	2.8	Q1	0.5	Q1	0.8	May-16	3.7	May-16	1.3
	Indonesia	4.9	Q1	-0.3	Q1	3.3	May-16	6.2	Aug-15	6.5
	Turkey	4.8	Q1	-2.4	Q1	6.6	May-16	10.1	Mar-16	7.5

**Note:** Q1 represent first Quarter of 2016. (\*) represents figure in annualised terms.

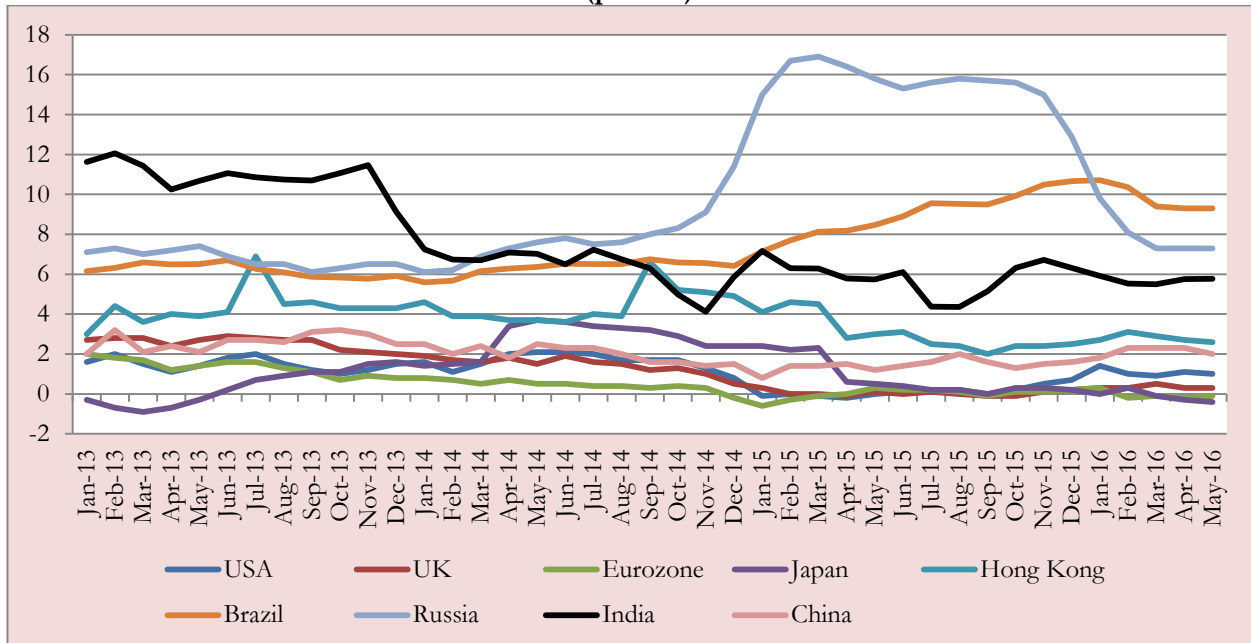
Source: Bloomberg

**Chart 1: Year-on-Year Real GDP growth rates of major countries/ region (percent)**

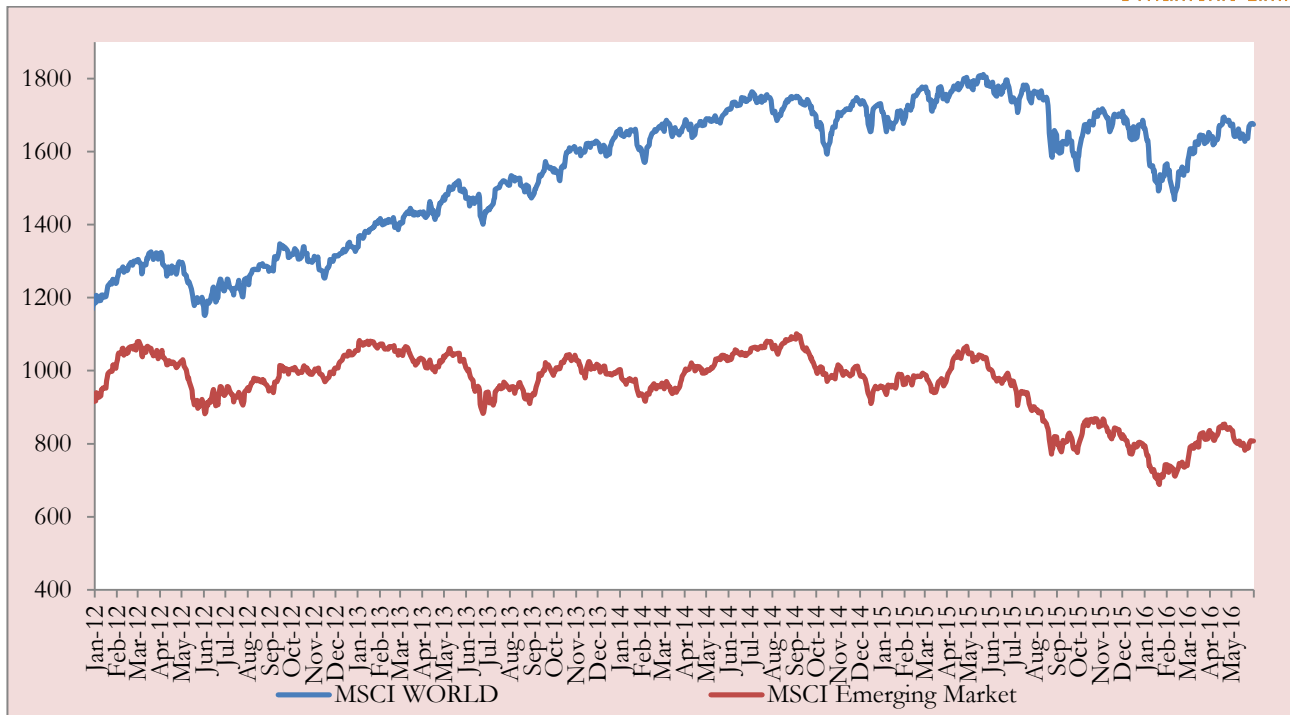


Source: Bloomberg

**Chart 2: Year-on-Year Consumer Price Inflation (percent)**



Source: Bloomberg



Source: Bloomberg

Exhibit 3: Quarterly Estimates of GVA (Y-o-Y) (at 2011-12 prices)

Items	2014-15	2015-16	2014-15				2015-16			
	(1 <sup>st</sup> RE)	(PE)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>1. Agriculture &amp; allied activities</b>	-0.2	1.2	2.3	2.8	-2.4	-1.7	2.6	2	-1	2.3
<b>2. Industry</b>										
Mining & Quarrying	10.8	7.4	16.5	7	9.1	10.1	8.5	5	7.1	8.6
Manufacturing	5.5	9.3	7.9	5.8	1.7	6.6	7.3	9.2	11.5	9.3
Electricity, Gas, Water Supply & Other Utility Services	8	6.6	10.2	8.8	8.8	4.4	4	7.5	5.6	9.3
<b>3. Services</b>										
Construction	4.4	3.9	5	5.3	4.9	2.6	5.6	0.8	4.6	4.5
Trade, Hotel, Transport, Communication and services related to broadcasting	9.8	9	11.6	8.4	6.2	13.1	10	6.7	9.2	9.9
Financial, Real Estate & Professional Services	10.6	10.3	8.5	12.7	12.1	9	9.3	11.9	10.5	9.1
Public Administration, Defence and Other services	10.7	6.6	4.2	10.3	25.3	4.1	5.9	6.9	7.2	6.4
<b>Gross Value Added at Basic Price</b>	<b>7.1</b>	<b>7.2</b>	<b>7.4</b>	<b>8.1</b>	<b>6.7</b>	<b>6.2</b>	<b>7.2</b>	<b>7.3</b>	<b>6.9</b>	<b>7.4</b>
<b>GDP</b>	<b>7.2</b>	<b>7.6</b>	<b>7.5</b>	<b>8.3</b>	<b>6.6</b>	<b>7.5</b>	<b>7.5</b>	<b>7.6</b>	<b>7.2</b>	<b>7.9</b>

Source: CSO

RE- Revised Estimates; PE- Provisional Estimates

2.5. The Nikkei India Manufacturing PMI (Purchasing Managers' Index) edged up only slightly to 50.7 in May compared to 50.5 in April 2016, one of its lowest recordings since the end of 2013. The Services PMI showed a deceleration as output growth lost momentum for the second straight month, falling from 53.7 in April to 51.0 in May 2016.

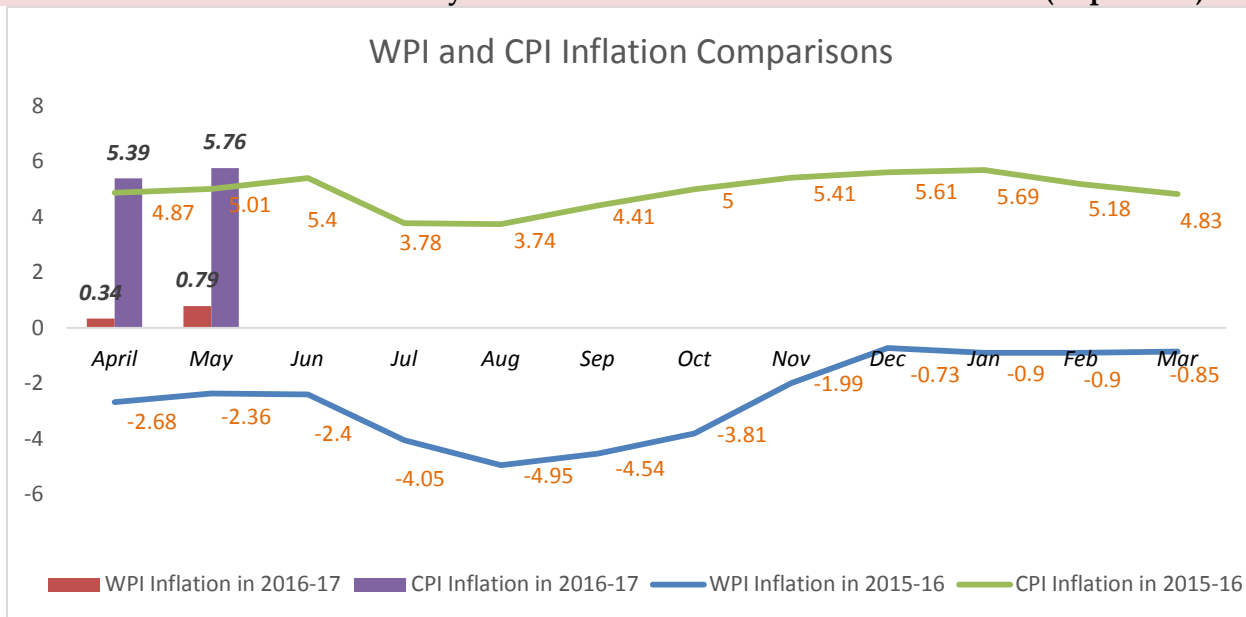
**Index of Industrial Production**

2.6. India's General Index of Industrial Production (IIP) grew at 1.2 percent in May 2016, marking an improvement over the negative pace of 0.8 percent in April 2016, with manufacturing showing a turnaround by growing at 0.7 percent in May up from a 3.1 percent contraction in the previous month. Electricity slowed down considerably compared to the previous month, down to 4.7 percent growth from 14.6 percent growth in the previous month. During April-May 2016-17, the IIP grew 1.2 percent compared to 0.1 percent contraction in April-May 2015-16.

**Inflation**

2.7. India's CPI inflation accelerated to 5.76 percent in May 2016 from 5.47 percent in April 2016, contributing to the worrying trend witnessed over the past month. In May, food inflation increased further to 7.47 percent from 6.4 percent in April. However, India's wholesale price index (WPI) rose again, this time by 0.79 percent compared to 0.34 percent in April. The Repo rate stands at 6.5 percent.

**Chart 10: Inflation as measured by WPI and CPI (in percent)**



Source: CSO, RBI, Office of Economic Advisor

**Trade - Exports and Imports**

The decline in India's exports has slowed considerably in May 2016, marking a decrease of 0.79 percent in dollar terms to USD 22.17 billion from the May 2015 level of USD 22.34 billion, and rising well over 7 percent from USD 20.56 billion in April 2016. Imports, however, increased by more than 11 percent to USD 28.44 billion from USD 25.41 billion in April 2016 (despite recording a 13 percent decrease from May 2015 levels of USD 32.75 billion), yielding a negative trade balance of USD 6.3 billion, widening the deficit for the first time in months. Taking merchandise and services together, overall trade deficit for April- May, 2016-17 was estimated at USD 5.4 billion, which is 65.6 percent lower than the deficit of USD 15.7 billion during April - May 2015-16.

Source : SEBI Bulletin : June 2016

## Indian Economic Overview

### Introduction

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organization (CSO) and International Monetary Fund (IMF). According to the Economic Survey 2015-16, the Indian economy will continue to grow more than 7 per cent in 2016-17.

The improvement in India's economic fundamentals has accelerated in the year 2015 with the combined impact of strong government reforms, RBI's inflation focus supported by benign global commodity prices.

India was ranked the highest globally in terms of consumer confidence during October-December quarter of 2015, continuing its earlier trend of being ranked the highest during first three quarters of 2015, as per the global consumer confidence index created by Nielsen.

### Market size

According to IMF World Economic Outlook Update (January 2016), Indian economy is expected to grow at 7-7.75 per cent during FY 2016-17, despite the uncertainties in the global market. The Economic Survey 2015-16 had forecasted that the Indian economy will growing by more than seven per cent for the third successive year 2016-17 and can start growing at eight per cent or more in next two years.

Foreign direct investment (FDI) in India have increased by 29 per cent during October 2014-December 2015 period post the launch of Make in India campaign, compared to the 15-month period before the launch.

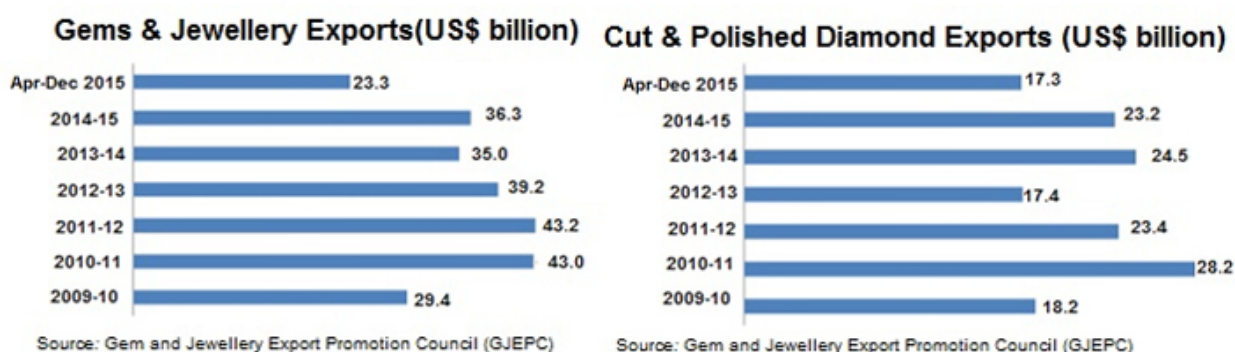
The Nikkei/Markit Manufacturing Purchasing Managers' Index (PMI) for February 2016 was reported at 51.1, indicating expansion in Indian manufacturing activity for a second month in a row, as both domestic and foreign demand increased due to lower prices.

The steps taken by the government in recent times have shown positive results as India's gross domestic product (GDP) at factor cost at constant (2011-12) prices 2015-16 is Rs 113.5 trillion (US\$ 1.668 trillion), as against Rs 105.5 trillion (US\$ 1.55 trillion) in 2014-15, registering a growth rate of 7.6 per cent. The economic activities which witnessed significant growth were 'financing, insurance, real estate and business services' at 11.5 per cent and 'trade, hotels, transport, communication services' at 10.7 per cent.

According to a Goldman Sachs report released in September 2015, India could grow at a potential 8 per cent on average during from fiscal 2016 to 2020 powered by greater access to banking, technology adoption, urbanisation and other structural reforms.

## Indian Jewellery Industry

### Introduction



The Gems and Jewellery sector plays a significant role in the Indian economy, contributing around 6-7 per cent of the country's GDP. 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 95 per cent of the world's diamonds, as per statistics from the Gems and Jewellery Export promotion Council (GJEPC). The industry has generated US\$ 38.6 billion of revenue from exports in 2015-16, making it the second largest exporter after petrochemicals.

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.

### Market size

The gems and jewellery market in India is home to more than 500,000 players, with the majority being small players.

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. UAE, US, Russia, Singapore, Hong Kong, Latin America and China are the biggest importers of Indian jewellery.

The overall gross exports of Gems & Jewellery in April 2016 stood at US\$ 3.23 billion, whereas exports of cut and polished diamonds stood at US\$ 1.78 billion. Exports of gold coins and medallions stood at US\$ 302.67 million and silver jewellery export stood at US\$ 299.69 million in April 2016. The overall gross imports of Gems & Jewellery in April 2016 stood at US\$ 2.90 billion.

According to a report by Research and Markets, the jewellery market in India is expected to grow at a Compound Annual Growth Rate (CAGR) of 15.95 per cent over the period 2014-2019.

The cumulative Foreign Direct Investment (FDI) inflows in diamond and gold ornaments in the period April 2000-December 2015 were US\$ 751.37 million, according to Department of Industrial Policy and Promotion (DIPP).

During April-December 2015, India imported US\$ 17.33 billion worth of raw material for gems and jewellery. With an 8 per cent share in polished diamonds, India has become the world's third largest diamond consumer.

### Investments/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.

- Rajesh Exports Limited (REL), a jewellery exporter and retailer, has won an export order contract worth Rs 1,045 crore (US\$ 154.85 million) of designer range of gold and diamond-studded jewellery and medallions from Singapore.
- KSS Limited, a digital and entertainment major, has forayed into the jewellery retailing business under the franchise model and is looking to open 500 stores under brand 'Bjewelz' which is owned by Birla Jewels Limited, a wholly owned subsidiary of KSS Limited.
- Kerala-based Kalyan Jewellers plan to invest Rs 900 crore (US\$ 133.55 million) over the next three years to expand its presence in the international markets like Sri Lanka, Singapore and Malaysia.
- Melorra, a Bengaluru-based online jewellery start-up, has raised US\$ 5 million funding from venture capital firm Lightbox Ventures, to build its brand, enhance its technology platform, and talent acquisition.
- Major mining companies such as Rio Tinto, De Beers and Alrosa have decided to participate in the Indian Diamond Trading Centre (IDTC) which has been set up to eliminate the middlemen in diamond trade and allow Indian manufacturers to deal directly with miners.
- India Bullion and Jewellers Association (IBJA) has signed an pact with the Bombay Stock Exchange (BSE) for setting up India's first bullion exchange through a Special Purpose Vehicle (SPV), wherein IBJA and its constituents will hold 70 per cent and BSE will hold 30 per cent stake.
- Global luxury brand Montblanc International has entered into a joint venture with India's largest watch maker Titan Co Ltd and plans to start the retail operations in India by opening five Montblanc boutiques in Mumbai, Delhi, Hyderabad and Pune.
- London-headquartered Gemfields, a multi-national firm specialising in colour gemstones mining and marketing, is planning to acquire colour gemstone mines in Odisha and Jharkhand, and participate in the exploration of the Kashmir sapphire mines in Jammu & Kashmir.

- The India arm of US private equity (PE) firm Warburg Pincus picked up a minority stake in Kerala-based Kalyan Jewellers for Rs 1,200 crore (US\$ 176 million). The jeweller plans to use the proceeds to fund its retail and manufacturing expansion plans.
- Creador, a PE firm focused on long-term investments in growth-oriented businesses in Indonesia, India, Malaysia and Singapore, invested Rs 135 crore (US\$ 20.28 million) for a minority stake in PC Jeweller Limited.
- Indian exports will now receive concessional duty treatment in the US as it has renewed the Generalised System of Preferences retrospectively from August 1, 2013 – December 31, 2017.

### Market Analysis for Jewellery Industry

The global jewellery market is now undergoing an improvement and healthy growth with the increase in the overall sales and changing lifestyles. The annual global sale is found to be €148 billion and is expected to grow at 5 to 6% each year. Asia Pacific consist of the world's largest jewellery market, with the main contributors being China and India, who are largest consumers of jewellery in the world having large number of processing and manufacturing industry. Considering country wise, U.S. is the largest jewellery market in the world which is mainly dominated by diamond jewellery.

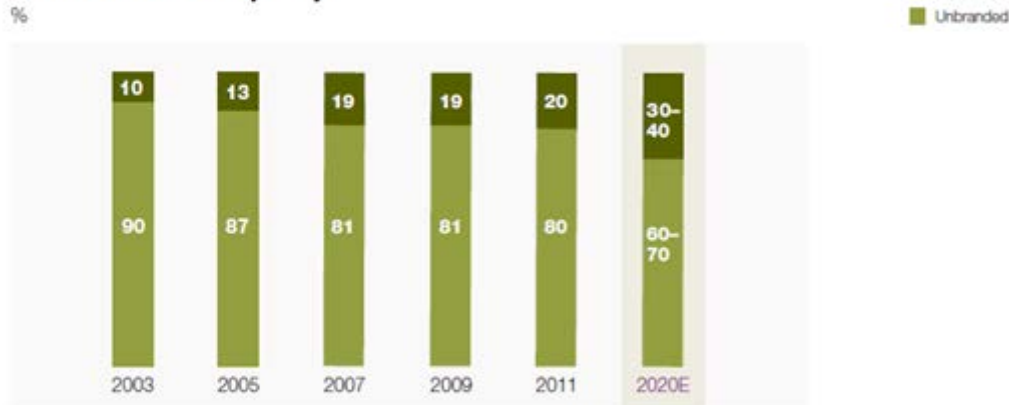
It is found that the jewellery industry is still local in nature as the ten biggest jewellery groups of the world comprises of only 12% of the global market. The global market for jewellery is likely to beat USD 257 billion by 2017. Even though the world of jewellery is driven by Asia Pacific and the Middle Eastern markets, still U.S. continues to be the leading player in this industry. The market is still growing regardless of the economic unrest in Europe and China.

Euromonitor International, market research firm considering the jewellery sales of 32 countries, states that fine jewellery sales has grown by 87% of approximate \$275.4 billion global jewellery market and might have a compound annual growth rate (CAGR) of 7.4% by 2017.

Most of the raw materials are generated by Canada, Russia, Africa and Australia, while countries like India, China, Italy and Turkey are the main jewellery manufacturers and diamond processors, and are mainly marketed in countries like US, Europe, Middle East and Asia. Out of these raw materials 50% is used for jewellery manufacturing, 40% is used for investment and 10% is used in electronics, medicine etc. The demand for symbolic jewellery is strongly coming from Asian countries and few European regions. In India, tourists are also participating in the growing demand of symbolic jewellery market. It is found that people are less focused on buying branded jewellery as they prefer local ones more. Like in India, 96% of the total players in this industry are small family-owned businesses. There are over 2.5 million jewellery shops in India, around 450,000 goldsmiths and 100,000 gold jewelers. In the U.S., non-brand jewellery shops account for 79% of the total jewellery market.

### Branded jewelry is on the rise.

Branded vs. unbranded jewelry



Source: Expert interviews; McKinsey analysis

India is attaining importance as an international destination for jewellery with companies like Wal-Mart and JC Penny already procuring jewellery from India. LouLouBijoux in US is an exclusive wholesale distributor for US and Canada. Italy based Buccellati is another famous wholesale outlet for its jewellery and watches.

### Online Jewellery Stores

Study shows that the online jewellery sales are around 4-5% of the market today and depends on the regions, brands, and types of jewellery. The top five online jewellery websites as reviewed in 2014 are Blue Nile (<http://www.bluenile.com/>), Super Jeweler (<http://www.superjeweler.com>), Szul (<http://www.szul.com/>), Jared (<http://www.jared.com/en/jaredstore>) and Jewelry (<http://www.jewelry.com/>). It is estimated that by 2020 the online sales of fine jewellery might reach 10% and that of fashion jewellery may reach around 15%. In 2011 US accounted of 11% of total industry sales. Tiffany & Co. runs web-stores in 13 countries having overall online sales of 6%.

The first and foremost problem comes in case of getting proper and regular supply of good raw material which can be trusted. Use pattern booklet for inventions rather than designing customized jewellery during start up. Create unique designs to set your business a step ahead from others. Find out a regular supply for essential jewellery tool kits from any specialty supply stores.

Now make a good business plan along with analyzing and defining your plans and goals. Find out ways to offer quality customer care services, produce unique jewellery designs and innovative selling techniques.

Pricing of your design can make your business to be a great success. Price your products according to the time, manpower and materials involved. Avoid high pricing. Make it competitive, along with looking into profit. Also don't keep it too low as this might make customers lose their trust on you.

Use of online presence is the best way to reduce shop rents and royalties. It will also help you to stand out in the jewellery business. The main advantage is that it will help you to increase the customers reach, but unless you have a good amount of jewellery designs in abundance which requires increase in labor it is not worth starting an eCommerce website. It is better to use a popular online shopping cart when you have little products. Also use good quality professional camera while taking photos of your product. It is better to make a model wear your products for having better impact on the customers in turn increasing web jewellery sales.

Register with a good business name, also you might need to get a tax ID number based on law and industrial standards. Use a website for promotion of business and register with a good domain name. Market your website and products through social media as they are free and are accessed by large number of people who might show their interests. Send your followers regular e-newsletters and make them attracted to your products. This all might help you.

### Major Merging that took place in the Jewellery Industry

Luk Fook Holdings (International) Ltd of China has recently acquired smaller companies like China Gold Silver Group (CGS). The well known Swatch Group acquired jewellery brand Harry Winston based in Toronto, in January 2013 which will be renamed as Dominion Diamond after completing the sale to Swatch. Kering SA acquired Hong Kong's jewellery brand Qeelin in December 2012. Aurum Holdings, which leads jewellery sales in the UK, was acquired by US private equity firm Apollo Global Management in December 2012, which also acquired Claire's Stores. Italian private equity Clessidra took control of Buccellati to aid fund development in Asia. Overnight Mountings has purchased the assets of Satco Casting which is into providing precious metals for jewellery industry and Plaza Bracelet Co., which designs tennis-style bracelets. Signet Jewelers acquired the Excelco diamond polishing factory in Gaborone, Botswana and Ultra Diamonds.

There is a lot of fluctuation still going on in the jewellery industry. Also there is a lot more scope for online jewellery shops. We might find a lot of them in the coming years.

Source : <http://www.cdotsys.com/market-analysis-for-jewellery-industry/>

**E jewelry industry** seems poised for a glittering future. Annual global sales of €148 billion are expected to grow at a healthy clip of 5 to 6 percent each year, totaling €250 billion by 2020. Consumer appetite for jewelry, which was dampened by the global recession, now appears more voracious than ever.

But the industry is as dynamic as it is fast growing. Consequential changes are under way, both in consumer behavior as well as in the industry itself. Jewelry players can't simply do business as usual and expect to thrive; they must be alert and responsive to important trends and developments or else risk being left behind by more agile competitors.

To chart the most likely course of the jewelry sector, we analyzed publicly available data, studied companies' annual reports, and interviewed 20 executives at global fine-jewelry and fashion-jewelry companies and industry associations. Our research indicates that five trends that shaped an adjacent industry—apparel—over the past 30 years are becoming evident in the jewelry industry as well, and at a much faster pace: internationalization and consolidation, the growth of branded products, a reconfigured channel landscape, “hybrid” consumption, and fast fashion. In this article, we discuss how these trends could affect the future of jewelry and what jewelry companies should do to prepare.

### **Internationalization of brands and industry consolidation**

In the 1980s, national apparel brands were the clear leaders in their respective markets: C&A in Germany, for example, and Marks & Spencer in the United Kingdom. Today, many national brands have been outpaced by international brands such as Zara and H&M. Others have built or expanded their international presence. Hugo Boss's sales outside Germany, for example, grew from 50 percent of its total sales in 1990 to more than 80 percent today. Apparel has become a truly global business.

We expect jewelry to follow a similar path. Today, the jewelry industry is still primarily local. The ten biggest jewelry groups capture a mere 12 percent of the worldwide market, and only two—Cartier and Tiffany & Co.—are in Interbrand's ranking of the top 100 global brands. The rest of the market consists of strong national retail brands, such as Christ in Germany or Chow Tai Fook in China, and small or midsize enterprises that operate single-branch stores.

Our interviewees expect that a handful of thriving national or regional jewelry brands will join the ranks of top global brands by 2020—Swarovski is an oft-cited example. In addition, some local brands will almost certainly become known globally as a result of industry consolidation: international retail groups will acquire small, local jewelers. Some industry observers project that the ten largest jewelry houses will double their market share by 2020, primarily by acquiring local players. And if the apparel industry does indeed hold any lessons for the jewelry industry, incumbent jewelry houses will soon be fighting bidding wars against private-equity players with deep pockets.

The apparel industry is about ten times the size of the jewelry industry as measured in annual sales, but the average M&A deal value in apparel (€12 billion) is almost 20 times that in jewelry (€700 million). That said, average deal value in jewelry has been rising—by a compound annual growth rate of 9 percent between 1997 and 2012, compared with 5 percent in apparel. Recent deals include British company Signet Jewelers's 2012 acquisition of US-based retailer Ultra Diamonds and the Swatch Group's acquisition of Harry Winston in January 2013.

### **Growth of branded jewelry**

Branded items already account for 60 percent of sales in the watch market. While branded jewelry accounts for only 20 percent of the overall jewelry market today, its share has doubled since 2003 (Exhibit 1). All executives we interviewed believe branded jewelry will claim a higher share of the market by 2020, but their views differ on how quickly this shift will occur. Most expect that the branded segment will account for 30 to 40 percent of the market in 2020.

#### **Exhibit 1**

Branded jewelry is on the rise.

In our research, we identified three types of consumers driving the growth of branded jewelry:

- “new money” consumers who wear branded jewelry to show off their newly acquired wealth (in contrast to “old money” consumers, who prefer heirlooms or estate jewelry)
- emerging-market consumers, for whom established brands inspire trust and the sense of an upgraded lifestyle—a purchasing factor quoted by 80 percent of our interviewees
- young consumers who turn to brands as a means of self-expression and self-realization

In the past, most of the growth in branded jewelry came from the expansion of established jewelry brands, such as Cartier and Tiffany & Co., and new entrants such as Pandora and David Yurman. By contrast, future growth in branded jewelry is likely to come from nonjewelry players in adjacent categories such as high-end apparel or leather goods—companies like Dior, Hermès, and Louis Vuitton—introducing jewelry collections or expanding their assortment.

Every jewelry company should seek to strengthen and differentiate its brands through unique, distinctive designs. The trend toward branded jewelry will be especially hard on small artisans, who don't have the marketing muscle of the large jewelry groups. One option for smaller players would be to seek distribution through ventures like Cadenzza, Swarovski's chain of curated multibrand jewelry stores featuring well-known luxury brands as well as up-and-coming designers.

### **Reconfiguration of the channel landscape**

In all major markets over the past decade, online sales of apparel have grown at double-digit rates; in the United Kingdom, for instance, online sales now account for 14 percent of total apparel sales, up from approximately 1 percent in 2003.<sup>1</sup>Our analysis suggests online jewelry sales are only 4 to 5 percent of the market today, with substantial variations across regions, brands, and types of jewelry. Our interviewees believe this number—at least for fine jewelry—will reach 10 percent by 2020 and won't grow much beyond that. Their rationale: most consumers prefer to buy expensive items from brick-and-mortar stores, which are perceived as more reliable and which provide the opportunity to touch and feel the merchandise—a crucial factor in a high-involvement category driven by sensory experience. As for fashion jewelry, our interviewees predict a slightly higher online share of sales, in the neighborhood of 10 to 15 percent by 2020. The bulk of these sales will come from affordable branded jewelry, a somewhat standardized product segment in which consumers know exactly what they're getting.

Jewelry manufacturers can use digital media as a platform for conveying information, shaping brand identity, and building customer relationships. According to a recent McKinsey survey, two-thirds of luxury shoppers say they engage in online research prior to an in-store purchase; one- to two-thirds say they frequently turn to social media for information and advice.

The offline landscape is also evolving. In apparel, monobrand stores have been gaining ground at the expense of mail-order players and some multibrand boutiques; department-store sales are stagnating (Exhibit 2). The same is happening in jewelry. Pandora, for example, quadrupled the size of its store network in just four years—from 200 locations in 2009 to more than 800 in 2012. In 1990, there were just 2 Swarovski boutiques; by 2012, there were 860.

### **Exhibit 2**

The channels that are gaining share in jewelry are also winning in apparel.

Jewelry players might consider focusing on mono-brand retail, which gives them more control over their brands, closer contact with consumers, and higher margin potential. Another potentially promising channel is multibrand boutique chains that provide a carefully curated assortment of brands and products as well as a unique shopping experience—which is what the aforementioned Cadenzza store concept aims to provide. To achieve sufficient margins, however, such concepts may need to operate on a global scale.

### **Polarization and hybrid consumption**

In apparel, both the high and low end of the market are growing—while the middle market stagnates. High-end apparel players have been able to create a substantial premium: our analysis shows that a Gucci suit that cost €1,200 in 2000 now sells for €1,700, rather than the €1,300 one would expect based on inflation. At the same time, mass-market prices have dropped: an H&M suit that cost €106 in 2000 now sells for €103, not the €119 that inflation rates would lead us to expect.

In part, this development has been brought on by consumers' tendency to trade up and down at the same time. The jewelry industry is starting to see evidence of this hybrid consumption. One of our interviewees observed that in some parts of the world, more people are trading up from what some consider to be the standard one-carat diamond engagement ring to two, three, or four carats—with five- or even six-digit price tags. At the lower end of the market, however, department stores and other general retailers are waging price wars. Furthermore, the previously clear-cut boundaries between fine jewelry (characterized by the use of precious metals and stones) and fashion jewelry (typically made of plated alloys and crystal stones) are starting to blur. For example, fine jewelry used to be almost exclusively a gift purchase, but today's consumers are buying higher-end items for themselves. Some fine jewelry is available at bargain prices: Tchibo in Germany sells gold diamond rings starting at €99. On the flip side, brands such as Lanvin and Roberto Cavalli sell fashion jewelry for thousands of euros.

Industry insiders expect that segments will increasingly be defined by price points and brand positions rather than purchase and wearing occasions. One of our interviewees put it as follows: "We encourage our customers to layer and mix high and low price points, and just go for it—to do what they're doing with apparel." In this spirit, actress Helen Hunt paired \$700,000 worth of Martin Katz jewelry with an H&M dress at the Academy Awards in 2013.

In light of this trend, fine jewelers might consider introducing new product lines at affordable prices to entice younger or less affluent consumers, giving them an entry point into the brand. Alternatively, fine-jewelry players could decide to play exclusively in the high end and communicate that message strongly through its advertising, in-store experience, and customer service. A brand like Harry Winston, for instance, is very clear about what it stands for; a lower-priced offering would be dissonant with its image and dilute its brand.

### **Fashionability and acceleration**

Over the last two decades, "fast fashion" has revolutionized the apparel industry. This trend is characterized by two factors.

#### **The fashionability of everyday apparel**

Clothes inspired by haute couture are now available at bargain prices faster than ever before—sometimes within days of a fashion show. Mass-market retailers sell items that look like they're fresh off the catwalks of Paris, Milan, London, and New York. Additionally, large retailers are teaming up with top designers: Gap worked with Stella McCartney, for instance, and H&M with Karl Lagerfeld. There is also a constant information feedback loop from the stores and the streets that helps manufacturers and retailers reflect the latest trends in their merchandise. Zara, for instance, has reporting systems that allow store staff to regularly send feedback to headquarters—anything from "the sleeves on this jacket are too long" to "our customers don't like to wear yellow."

#### **An acceleration of supply-chain processes**

Fast-fashion players have dramatically shortened time to market: new products can go from concept to shelf in a month. Stores receive a continuous stream of fresh merchandise—as many as 12 themes each year.

Fast fashion started in the affordable-clothing segment in the mid-1990s, led by the likes of H&M, Zara, and Topshop. It has recently spread to higher-end brands: Coach, Diesel, and Juicy Couture, to name a few, have introduced "flash programs" and a greater number of collections per year.

Fast fashion is well established in developed markets—in the United Kingdom, for instance, it already accounts for 25 percent of apparel sales and its growth may be flattening—but it has just arrived on the scene in emerging markets and will almost certainly experience explosive growth there. The combined market share of fast-fashion players in China totals only about 3 percent today, but the number of Zara stores in China grew 60 percent every year between 2007 and 2012, compared with only 3 percent in the United Kingdom.

Fine jewelry has so far been immune to the effects of fast fashion, but the same can't be said of the fashion-jewelry market. An example of fashionability: H&M, as part of its guest-designer collaborations, introduced a flamboyant jewelry-and-accessories collection by *Vogue Japan* editor Anna Dello Russo in December 2012, with item prices ranging from €20 to €300. And an example of acceleration: Beeline, a German branded-jewelry player, is adding hundreds of new items to its assortment every month—an unheard-of pace in an industry where two collections per year is standard.

In the fast-fashion world, flexible companies with adaptive business systems reap disproportionate rewards. Innovative jewelry players will emulate fast-fashion apparel companies: they will react to trends quickly and reduce their product-development cycle times. Doing so will require closer collaboration with partners along the entire value chain, from suppliers to designers to logistics providers.

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The evolution of the apparel industry provides an interesting template for how the jewelry industry might develop. To what degree the two industries will mirror each other remains to be seen, but it seems likely that the jewelry market of 2020 will be highly dynamic, truly globalized, and intensely competitive. Those jewelry companies that can best anticipate and capitalize on industry-changing trends—particularly the five described above—will shine brighter than the rest.

Source: <http://www.mckinsey.com/industries/retail/our-insights/a-multifaceted-future-the-jewelry-industry-in-2020>

### **Introduction**

Indians have always been connoisseurs of precious stones and ornaments. Trade secrets of the jewellery business have been handed down over generations, ensuring continuity of traditional craft. Thus, India is today the world's largest diamond cutting and polishing centre. India has been adding modern techniques to its traditional know how that are more in tune with global market trends. Several well-organised polishing units have been established to improve productivity and meet growing international demand.

### **SPOTLIGHT ON EXPORTS**

India is the most preferred country in terms of gems and jewellery export. The facts listed below give us an idea of India's position on the global gems and jewellery export map. Indian gems and jewellery are exported across continents.

- Gems and jewellery exports reached US\$ 36.2 billion in 2014–15. The industry grew 4.3 per cent, with exports worth US\$ 36.2 billion in 2014–15 compared with US\$ 29.4 billion in 2009–10.
- In 2014–15, the UAE was the destination for 29.6 per cent of gems and jewellery exports from India valued at US\$ 12.3 billion, followed by Hong Kong (29.4 per cent or US\$ 12.2 billion) and the US (20.3 per cent or US\$ 8.4 billion).
- In 2014–15, export of cut and polished diamonds declined 5.0 per cent to US\$ 23.2 billion.
- During April–November 2014, gems and jewellery accounted for around 20.9 per cent of the country's total exports.
- Gems and jewellery exports could reach US\$ 58 billion by 2015.

### **GEM AND JEWELLERY EXPORT PROMOTION COUNCIL**

The Gem and Jewellery Export Promotion Council (GJEPC) undertakes direct promotional activities, including joint participation in international jewellery shows, sending and hosting trade delegations, and sustained image-building exercises.

**During FY 2014-15, Net exports for Gems and Jewellery increased 4 per cent to reach US\$36.2 billion.**

Source : <http://www.ibef.org/exports/gems-and-jewellery-export.aspx>

### Recent Developments

With the improvement in the economic scenario, there have been various investments leading to increased M&A activity. Some of them are as follows:

India has emerged as one of the strongest performers with respect to deals across the world in terms of Aergers and Acquisitions (M&A). The total transaction value of M&A involving Indian companies stood at US\$ 26.3 billion with 930 deals in 2015 as against US\$ 29.4 billion involving 870 deals in 2014. In the M&A space, Telecom was the dominant sector, amounting to 40 per cent of the total transaction value. Also, Private equity (PE) investments increased 86 per cent y-o-y to US\$ 1.43 billion.

Total private equity (PE) investments in India for 2015 reached a record high of US\$ 19.5 billion through 159 deals, according to the PwC MoneyTree India report.

According to The World Bank, India's per capita income is expected to cross Rs 100,000 (US\$ 1,505.4) in FY 2017 from Rs 93,231 (US\$ 1,403.5) in FY 2016.

### Government Initiatives

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, has launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy. This initiative is expected to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy. Finance Minister Mr ArunJaitley stated that the government is looking at a number of reforms and resolution of pending tax disputes to attract investments.

Currently, the manufacturing sector in India contributes over 15 per cent of the GDP. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP. Following the government's initiatives several plans for investment have been undertaken which are as follows:

- The Union Cabinet has approved the introduction of several short term (within one year) and medium term measures (within two years) to be implemented by government ministries, departments and organisations for promotion of payments through cards and digital means, and to reduce cash transactions.
- Government of India has prioritised sustainability as the key aspect of India's development. To achieve this, the government aims to encourage education, skill development, digital connectivity and entrepreneurship in a sustainable manner.
- Prime Minister Mr Narendra Modi announced at the International Monetary Fund (IMF) conference on 'Advancing Asia: Investing for the Future' in New Delhi that the government will continue to bring in new reforms for transforming economy without resorting to undervaluing its exchange rate to boost trade.
- The Government of India plans to build five new railway links with Nepal, which will boost India's economic links with its neighbouring country and promote growth, employment and prosperity in the region.
- India has signed a loan agreement worth US\$ 35 million with the World Bank for Madhya Pradesh Citizen Access to Responsive Services Project which aims to improve access and quality of public services in Madhya Pradesh through implementation of the 2010 Public Service Delivery Guarantee Act.

- The Cabinet Committee of Economic Affairs (CCEA) has approved the allocation of coal linkages for non-regulated sectors such as cement, steel, sponge iron, aluminium and others, through the route of e-auction to be conducted in April 2016, which is expected to bring in transparency in allotment process and ensure all market participants have a fair opportunity to secure coal for their operations.
- Government of India plans to create a National Investment Grid to map business opportunities across the country which will make it easier for investors, especially domestic investors, to access and explore investment opportunities.
- Prime Minister, Mr Narendra Modi, launched the Start-up India initiative and unveiled the Start-up Action Plan which includes creation of a dedicated Start-up fund worth Rs 10,000 crore (US\$ 1.47 billion) apart from other incentives like no tax on profits for first three years and relaxed labour laws.
- British telecom giant Vodafone, India's second largest telecom operator, plans to invest over Rs 13,000 crore (US\$ 1.91 billion) in India, to upgrade and expand its network and also for its payments bank operations.
- Chinese smartphone handset maker, Vivo, has set up an assembly unit in India at Greater Noida which will initially manufacture 150,000 smartphone units a month, to produce three smartphone models, namely Y11, Y21 and Y15S.
- Foxconn Technology group, Taiwan's electronics manufacturer, is planning to manufacture Apple iPhones in India. Besides, Foxconn aims to establish 10-12 facilities in India including data centers and factories by 2020.
- US-based First Solar Inc and China's Trina Solar have plans to set up manufacturing facilities in India. Clean energy investments in India increased to US\$ 7.9 billion in 2014, helping the country maintain its position as the seventh largest clean energy investor in the world.
- Hyderabad is set to become the mobile phone manufacturing hub in India and is expected to create 150,000 – 200,000 jobs. Besides, the Telangana Government aims to double IT exports to Rs 1.2 trillion (US\$ 17.61 billion) by 2019.
- General Motors plans to invest US\$1 billion in India by 2020, mainly to increase the capacity at the Talegaon plant in Maharashtra from 130,000 units a year to 220,000 by 2025.
- Hyundai Heavy Industries (HHI) and Hindustan Shipyard Ltd have joined hands to build warships in India. Besides, Samsung Heavy Industries and Kochi Shipyard will be making Liquefied Natural Gas (LNG) tankers.

Under the Digital India initiative numerous steps have been taken by the Government of India. Some of them are as follows:

- The Government of India has launched a digital employment exchange which will allow the industrial enterprises to find suitable workers and the job-seekers to find employment. The core purpose of the initiative is to strengthen the communication between the stakeholders and to improve the efficiencies in service delivery in the MSME ministry. According to officials at the MSME ministry over 200,000 people have so far registered on the website.
- The Ministry of Human Resource Development recently launched Kendriya Vidyalaya Sangathan's (KVS) e-initiative 'KV Shaala Darpan' aimed at providing information about students electronically on a single platform. The program is a step towards realising Digital India and will depict good governance.

- The Government of India announced that all the major tourist spots like Sarnath, Bodhgaya and Taj Mahal will have a Wi-Fi facility as part of digital India initiative. Besides, the Government has started providing free Wi-Fi service at Varanasi ghats.

Based on the recommendations of the Foreign Investment Promotion Board (FIPB), FDI inflows have increased 40 per cent during April-December 2015 to reach US\$ 29.44 billion.

The Government of India has launched an initiative to create 100 smart cities as well as Atal Mission for Rejuvenation and Urban Transformation (AMRUT) for 500 cities with an outlay of Rs 48,000 crore (US\$ 7.47 billion) and Rs 50,000 crore (US\$ 7.34 billion) crore respectively. Smart cities are satellite towns of larger cities which will consist of modern infrastructure and will be digitally connected. The program was formally launched on June 25, 2015. The Phase I for Smart City Kochi (SCK) will be built on a total area of 650,000 sq. ft., having a floor space greater than 100,000 sq. ft. Besides, it will also generate a total of 6,000 direct jobs in the IT sector.

### Road Ahead

The International Monetary Fund (IMF) and the Moody's Investors Service have forecasted that India will witness a GDP growth rate of 7.5 per cent in 2016, due to improved investor confidence, lower food prices and better policy reforms. Besides, according to mid-year update of United Nations World Economic Situation and Prospects, India is expected to grow at 7.6 per cent in 2015 and at 7.7 per cent in 2016.

As per the latest Global Economic Prospects (GEP) report by World Bank, India is leading The World Bank's growth chart for major economies. The Bank believes India to become the fastest growing major economy by 2015, growing at 7.5 per cent.

According to Mr Jayant Sinha, Minister of State for Finance, Indian economy would continue to grow at 7 to 9 per cent and would double in size to US\$ 4-5 trillion in a decade, becoming the third largest economy in absolute terms.

Furthermore, initiatives like Make in India and Digital India will play a vital role in the driving the Indian economy.

Exchange Rate Used: INR 1 = US\$ 0.0147 as on March 01, 2016

Source : <http://www.ibef.org/economy/indian-economy-overview>

### GEMS & JEWELLERY, LUXURY & LIFESTYLE OVERVIEW:

The global gems and jewellery industry is on way to huge transformation. India has many natural advantages to emerge as Gems & Jewellery hub of the world. India has the largest and the best artisan force for designing and crafting the jewellery in the world. There is considerable scope of value addition in terms of capacity building at the domestic front, quality management and professionalisation.

For the average Indian consumer of gold, diamonds and other gemstones - clichés abound - gold almost always glitters and diamonds are forever. India leads global consumption of gold at an estimated 850 tons annually, and has emerged as the 6th largest consumer of diamonds in the world. The global gems and jewellery industry is on way to huge transformation. India has many natural advantages to emerge as Gems & Jewellery hub of the world. India has the largest and the best artisan force for designing and crafting the jewellery in the world. There is considerable scope of value addition in terms of capacity building at the domestic front, quality management and professionalisation.

For the average Indian consumer of gold, diamonds and other gemstones - clichés abound - gold almost always glitters and diamonds are forever. India leads global consumption of gold at an estimated 850 tons annually, and has emerged as the 6th largest consumer of diamonds in the world

India occupies top position in importing, processing and exporting diamonds. With its cut and polished diamonds, colored gemstones, gold jewellery, pearls, non-gold jewellery and fashion jewellery, India holds nearly 50% of the international market. Gems and jewellery sector contributes nearly 18% in India's aggregate exports. It accounts for nearly 55% of the world's net exports of cut

and polished diamonds in value terms, 90% in terms of pieces and 80% in terms of carats. India now processes 85% of the world's polished diamonds, far ahead of other competitors. Every 11 of 12 diamonds sold around the globe are processed in India regardless of where these are mined.

India has shifted its trade focus from domestic economy to global markets through liberalized trade policies & lower tariffs. These measures have dramatically improved India's export market over the past 15 years, particularly for diamonds and jewellery.

The following are the issues and areas in which FICCI can play a proactive role to support this Industry and seek the assistance from the concerned ministry.

#### **A. Diamond industry:**

- At present dollar loans are not available and rupee loans are too expensive. To make matters worse, different banks charge different rates of interest. We should take up this matter with the RBI/finance ministry for regulatory measures.
- Evaluating other options for financing to diamondaires.
- Value addition: The margins in the diamond industry are very low and the entire emphasis is on large volumes. We need to devise ways and means of taking the industry up on a value chain.
- Direct supply of rough from countries such as Angola, Canada and other diamond mining countries.
- Measures to improve working conditions in manufacturing set ups.
- Move from unorganized to organized set ups.

#### **B. Jewellery industry:**

- Going up the value chain.
- Promoting brand India all over the world.
- Promoting Indian retail brands.
- Joint retail initiatives and cooperative retail.
- BIS/Certification of jewellery to be mandatory in the interest of the consumer.
- Set up export targets to 50% yoy and work towards achievement of this target.

#### **C. Gold/Bullion:**

- Availability of gold loan products to be made available to domestic manufacturers.
- All exporters should be allowed to import gold freely.
- Easy availability of gold for retailers against stocks.

#### **Other issues**

- Survey of the gold retailing sector with regards to matters such as Gold consumption patterns, trade practices, trade profiles, regional differences.
- Issues of Hallmarking, Gold and purity of gold, assaying centers.
- Improvement in the ways gold is marketed in India.
- Branding and Branded jewellery.
- Use of technology in manufacturing and production.
- HR practices to transform traditional management.
- Promote jewellery as a category
- Enhance image of the industry
- Manage a portfolio of markets
- Professionalize and transform family owned businesses
- Enhance talent supply
- Reduce financing cost
- Identify new products and consumer segments

Source : <http://ficci.in/sector-overview.asp?secid=17>

## 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 Draft Prospectus, including the information contained in the section titled '**Risk Factors**', beginning on page no.13 of this Draft 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 Statement**' and '**Management Discussion and Analysis of Financial Conditions and Results of Operations**' beginning on page no. 13, 143 and 175 respectively, of this Draft Prospectus

Unless the context otherwise requires, in relation to business operations, in this section of this Draft Prospectus, all references to "we", "us", "our" and "our Company" are to Veeram Ornaments Limited and Group Entities as the case may be.

### OVERVIEW

We are integrated wholesaler of branded Jewellery & Ornaments. We are also into trading business of silver and distributor of readymade gold & silver Jewellery & Ornaments. Our portfolio of products includes gold and silver jewellery with or without studded precious and semi-precious stones. Our Jewelries and ornaments are designed keeping in mind the demand for the Traditional, Modern & Indo-Western jewellery & ornaments in India. With regional diversity of tastes and preferences, we have diverse portfolio of Ornaments and Jewellery to suit the taste and preferences of one & all. Our gold & silver traditional jewellery & ornaments are either made with kundan, gem stones, American diamonds etc or just plain gold or silver.

We source our raw materials from Rajkot & local markets in Ahmedabad. Raw Silver and Raw gold is generally purchased from the bullion market which is then designed and molded into gold and silver traditional & modern jewellery. Other raw material like kundan, gems stones, American diamonds etc is purchased from our suppliers.

Most of our jewelries are designed in a traditional manner as the demand for traditional jewellery is very high in the local markets of Ahmedabad and nearby localities. The design & pattern for our jewellery & ornaments is provided by us to the job workers who manufacture our products accordingly. We sell only quality certified jewellery & ornaments to our clients.

### Our Jewellery & Ornaments

Jewellery
Chain
Ring
Earring
Mangalsutra
Anklet
Zuda
Ear-chain
Necklace
Toe Ring
Bangle
Bracelet





Our production of jewellery depends on the order size, order value, design & pattern of the jewellery, type & availability of raw materials to be used and the quality and finish of the jewellery. Our total standard or minimum order size is 2 Gms and the maximum order size is 150 Gms at any point in time of the year. The total order size for gold & silver jewellery generally ranges between 10 Gms to 1500 Gms .

Our products have presence across different price points and cater to customers across high-end, mid-market and value market segments. Our jewelries are sold only to the jewellery retailers within Ahmedabad. Owing to the relationship we have built with our clients, customization of the jewellery, the quality, design & pattern of our jewelries.

Our Promoter Mrs. Pinalben Rakshitbhai Shah come with jewellery business background and is well versed in designing and distribution of jewellery & ornaments. Our Promoter possess more than 10 years of experience in the functioning and management of Jewellery covering all aspects.

### **USP of our Jewellery & Ornaments**

#### *Low Prices*

Our jewellery & ornaments are priced much lesser than the branded jewelers in the market. Indian consumers being price sensitive & our Promoters experience put together, helps us sustain the competition locally.

#### *Design & Pattern*

For success of any brand, it is highly important to provide best & patterns of local & international standard. Post understanding the consumer likes, taste and preference, internal research & changing jewellery & ornaments industry, we have developed a wide range of designs & patterns for our traditional, modern & Indo-Western jewellery using the latest 3D Computer-Aided Designing (CAD) Software.

## **OUR COMPETITIVE STRENGTH**

#### *Well established systems and procedures*

We have well established systems and procedures for staffing and the implementation of current and long term objectives.

#### *Experience of our Promoter*

Our Promoter Mrs. Pinalben Rakshitbhai Shah come with jewellery business background and is well versed in designing and distribution of jewellery & ornaments. She possess more than 10 years of experience in the functioning and management of Jewellery covering all aspects.

#### *Experienced management team and a motivated & efficient work force*

Our Company is managed by a team of experienced and professional personnel with experience in different aspects of jewellery and ornaments industry. They have an in-depth knowledge of the polishing and designing of jewellery, distribution, marketing and finance. We believe that our qualified and experienced management will contribute to the growth of our business operations.

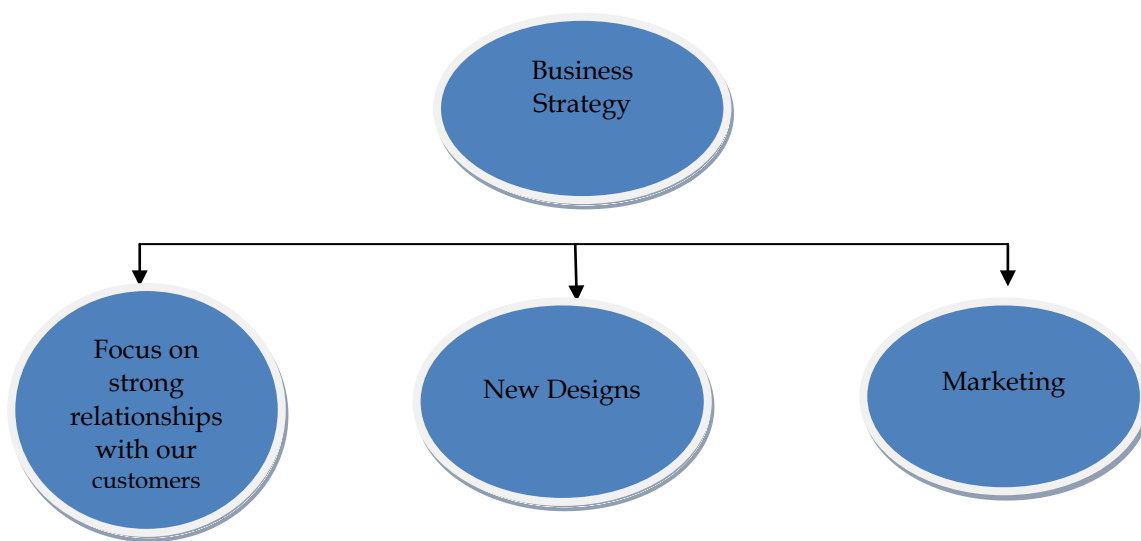
*Wide Varieties of our products*

Our product portfolio consists of wide range of products which differentiate us from other companies. We have product portfolio which covers Traditional, Modern & Indo-Western Jewellery and Ornaments for all types of age & gender.

*Integrated player with domain knowledge:*

We are integrated player with comprehensive knowledge about jewellery industry. Our understanding of the industry helps us in assessing market opportunities and positioning ourselves accordingly. Since our business is seasonal in nature, we believe forecasting market trends is a significant advantage for our business

**OUR BUSINESS STRATEGY**



*Focus on strong relationships with our customers*

The business strategy has been consumer centric to bring them value for money by imbibing best practices and processes aiming at all round to deliver and contribute maximum and sustained returns to all stakeholders. Besides, we believe our major customers have contributed significantly in the growth of our business. In order to strengthen our relationship with such customers, from time to time we introduce schemes beneficial to their business.

*Adding New Designs*

As jewellery business is seasonal in nature, for each season new designs of jewellery are introduced. However, at the end of each season our customers are left with certain amount of jewellery, which gradually converts into slow moving jewellery. We propose to invest in upgrading our existing units to ensure quality products. The scale of our operations and our experience in the business shall enable us to enhance the quality of our products. This will assist to compete with the organized players.

*Increase Sales through innovative customer – oriented Marketing initiatives.*

We follow structured approach for our product development which involves market research, sales analysis and brand development. Our marketing includes participation in trade fairs and jewellery exhibitions.

Apart from the above strategies, our other business strategy includes:-

- Sell more to our existing customers;
- Attract new customers through increased investment in promotion and advertisement;
- Keeping in mind the industry trend, we will be introducing newer, better designs & patterns for our jewellery & ornament;
- Provide an outstanding level of customer service;
- Enhance strong leadership practices at every level of the organization;
- Performance of both individuals and departments (or regions) is directly linked to the growth strategy and successful execution;

### OUR MARKETING STRATEGY

In order to exploit the double digit growth in jewellery and ornaments industry , the company has aggressive plans to expand it network in Ahmedabad . Being a wholesaler in jewellery industry, our primary factors considered in marketing would be determining retailers buying decisions including creating customer confidence by providing them quality products as per their needs and requirement , offering price points for our products , timely and reliable delivery of or products together with the level and quality of customer service.This shall be achieved in particularly by appointing new Distributors / Dealers, and C & F agents, establishing warehouses and depots in larger towns in Gujarat. Our sales executives will serve each distributor / dealer. The company will put a great thrust on existing & newer customers by directly marketing its products to them by giving them reliable delivery and quality.The marketing strategy of the company is the combination of direct marketing, using the existing distribution network and sales force. Conversation with customers on an individual basis, educating them guiding them on the company’s products all the year round is a part of the strategy . We support our marketing efforts with the activities at the grass root level through field work by maintaining regular contacts and meetings.

### SWOT ANALYSIS OF THE COMPANY

<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• Sound experience of Promoters</li> <li>• Availability of Low cost and skilled technical and professional Manpower provides competitive advantage to Company.</li> <li>• Unique designs.</li> <li>• The flexibility to provide customized pieces.</li> <li>• A comprehensive distribution network from a robust website.</li> </ul>	<p><b>WEAKNESS</b></p> <ul style="list-style-type: none"> <li>• Lower levels of Expenditure in the Research and Development.</li> <li>• Limited budget.</li> <li>• The struggle to constantly create new designs</li> <li>• The possible inability to meet demand due to the small size of the company.</li> </ul>
<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• A growing market that is unaware of contemporary Ti Design’s products.</li> <li>• The injection of fresh , creative designs in a somewhat stagnant industry.</li> </ul>	<p><b>THREATS</b></p> <ul style="list-style-type: none"> <li>• Intense competition from the old and well situated competitors.</li> <li>• High entry cost in the newer markets.</li> <li>• Artistics copycats that enter the market and mimic Steve’s designs.</li> <li>• A slowdown of the economy that will have a reduction on individual’s discretionary income.</li> </ul>

## COMPETITION

Jewellery industry is highly competitive industry. Competition in this industry is based mainly on the quality , design , availability and pricing. We continuously takes measure to reduce our procurement , production and distribution costs and improve our operational efficiencies.

## COLLABORATIONS

We have not entered into any technical or other collaboration.

## MAJOR CUSTOMERS

Sr No	Name of the Customers
1	Shakti jewellers
2	Darshan Ornaments
3	Darshan Orna Ltd.
4	Suwarna Krupa
5	Suwarna Krupa Pvt. Ltd
6	Alankar Jewellers

## PROPERTY

The company does not have owned property through which it operates its business. Currently it has only one premise which is a leased property. The following table sets forth the location and other details of the leased property of our Company.

Sr. No.	Particulars of the property, description@	Rent	Date of Agreement	Existing usage	Name of the Lessor	Whether registered in the name of the issuer	Period of Lease
1	Shop No. 2, Naroda Pride, Nr. Padmavati Society, Naroda-Nikol Road, Ahmedabad - 382350, Gujarat.	Rs 12,000 p.m	30 <sup>th</sup> March 2016	Registered Office of the Issuer	Mrs. Arunaben Mahendrabhai Shah	Yes	31 <sup>st</sup> March,2016 to 28 <sup>th</sup> February, 2017

@ The Agreement is in the name of Veeram Spiritual Energies Private Limited

## **MANPOWER**

As on the date of this Draft Prospectus, Company has a total of 9 employees. The detailed break-up of our employees is as under:

<b>Details</b>	<b>Total</b>
Company Secretary	1
CFO	1
Managing Director	1
Executive Director	1
Others	5
<b>Total</b>	<b>9</b>

## **INSURANCE POLICIES**

Our Company has not taken any insurance cover at present. The Company will work towards taking insurance coverage in accordance with industry standards and for such amounts that will be sufficient to cover all normal risks associated with its operations.

## **INTELLECTUAL PROPERTY**

As on date of this Prospectus, our company does not hold any intellectual property.

## **FINANCIAL INDEBTNESS OF THE COMPANY**

As on date of this draft prospectus, the long term borrowing of our company is Rs 45.62 Lakhs.

## KEY INDUSTRY REGULATIONS AND POLICIES

We are subject to a number of Central and State legislations which regulate substantive and procedural aspects of the business. Additionally, the 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. The regulations set out below are not exhaustive and are only intended to provide general information to the bidders. The company is engaged in business of manufacturing and trading in designer Jewellery. Set further below are certain general legislations and regulations which govern this industry in India.

### TRADE AND INDUSTRY RELATED LEGISLATIONS

#### Foreign Investment

While under India's current Foreign Direct Investment ("FDI") Policy, effective from April 10, 2012, FDI up to 100% through the automatic route is permitted in the gems and jewellery sector, FDI in retail trading is restricted. Subject to certain conditions, FDI up to 100% through the government route, in the retail trading of 'single brand' products is allowed and FDI up to 51% through the government route, in the retail trading of 'multi-brand' products is permitted.

#### Investment by Foreign Institutional Investors

Foreign institutional investors ("FIIs") including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated, institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India. FIIs are required to obtain an initial registration from SEBI and a general permission from RBI to engage in transactions regulated under Foreign Exchange Management Act, 2000. FIIs must also comply with the provisions of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time. The initial registration and RBI's general permission together enable a registered FII to buy (subject to the ownership restrictions discussed below) and sell freely securities issued by Indian companies, to realize capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights issues of shares.

#### Gem and Jewellery Export Promotion Council

The GoI has designated the Gem and Jewellery Export Promotion Council ("GJEPC") as the importing and exporting authority in India in keeping with its international obligations under Section IV (b) of the Kimberley Process Certification Scheme ("KPCS"). The GJEPC has been notified as the nodal agency for trade in rough diamonds. The KPCS is a joint government, international diamond and civil society initiative to stem the flow of conflict diamonds, which are rough diamonds used by rebel movements to finance wars against legitimate governments. The KPCS comprises participating governments that represent approximately 99.8% of the world trade in rough diamonds. The KPCS has been implemented in India from January 1, 2003 by the GOI through communication No. 12/13/2000-EP (GJ) dated November 13, 2002. However, under the Special Economic Zones Rules, 2006, the Development Commissioners have been delegated powers to issue Kimberley Process Certificates for units situated in the respective Special Economic Zone (the "SEZ").

#### Importer Exporter Code

Under the Indian Foreign Trade Policy, 2004, no export or import can be made by a person or company without an Importer Exporter Code number unless such person/company is specifically exempted. An application for an Importer Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An Importer Exporter Code number allotted to an applicant is valid for all its branches/divisions/ units/factories.

## STATUTORY LEGISLATIONS

### **The Companies Act, 1956**

The Act deals with laws relating to companies and certain other associations. It was enacted by the parliament in 1956. The Companies Act, 1956 primarily regulates the formation, financing, functioning and winding up of companies. The Act prescribes regulatory mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. Regulation of the financial and management aspects constitutes the main focus of the Act. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

### **The Companies Act, 2013 (to the extent notified)**

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs has vide its notification dated September 12, 2013 and March 26, 2013 notified a total of 283 Sections of the Companies Act, 2013, which have become effective as on the date of this Prospectus.

### **Industrial (Development and Regulation) Act, 1951**

The Industrial (Development and Regulation) Act, 1951 has been liberalized under the New Industrial Policy dated July 24, 1991, and all industrial undertakings are exempt from licensing except for certain industries such as distillation and brewing of alcoholic drinks, cigars and cigarettes of tobacco and manufactured tobacco substitutes, all types of electronic aerospace and defense equipment, industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches and hazardous chemicals and those reserved for the small scale sector. An industrial undertaking, which is exempt from licensing, is required to file an Industrial Entrepreneurs Memorandum ("IEM") with the Secretariat for Industrial Assistance, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and no further approvals are required.

### **The Workmen Compensation Act, 1923**

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

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

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

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

The Payment of Gratuity Act, 1972 ("Act") was enacted with the objective to regulate the payment of gratuity, to an employee who has rendered for his long and meritorious service, at the time of termination of his services. A terminal Lump sum benefit paid to a worker when he or she leaves employment after having worked for the employer for a prescribed minimum number of years is referred to as "gratuity". The provisions of the Act are applicable to all the factories. The Act provides that within 30 days of opening of the establishment, it has to notify the controlling authority in Form A and thereafter whenever there is any change in the name, address or change in the nature of the business of the establishment a notice in Form B has to be filed with the authority. The Employer is also required to display an abstract of the Act and the rules made there-under in Form U to be affixed at the or near the main entrance. Further, every employer has to obtain insurance for his Liability towards gratuity payment to be made under Payment of Gratuity Act 1972, with Life Insurance Corporation or any other approved insurance fund.

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

Under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("PF Act"), provides that a factory mentioned that every establishment employing more than 20 (twenty) persons, either directly or indirectly, in any other capacity whatsoever, is covered by the provisions of the PF Act. The employer of such establishment is required to make a monthly contribution matching to the amount of the employee's contribution to the provident fund. It is also mandatory requirement to maintain prescribed records and registers and filing of forms with the PF authorities. The EPF Act also imposes punishments on any person who violate any of the provisions of the schemes made under the EPF Act and specifically on employers who contravene or default in complying with certain provisions of the EPF Act. If the person committing an offence is a company, every person who at the time the offence was committed was in charge of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be prosecuted accordingly.

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

The Payment of Bonus Act, 1965 is applicable to every establishment employing 20 or more employees. The said Act provides for payment of the minimum bonus to the employees specified under the Act. It further requires the maintenance of certain books and registers such as the register showing computation of the allocable surplus; the register showing the set on & set off of the allocable surplus and register showing the details of the amount of Bonus due to the employees. Further it also require for the submission of Annual Return in the prescribed form to be submitted by the employer within 30 days of payment of the bonus to the Authority under the Act.

## **TAX RELATED LEGISLATIONS**

### **Value Added Tax ("VAT")**

The levy of Sales Tax within the state is governed by the Value Added Tax Act and Rules 2008 ("the VAT Act") of the respective states. The VAT Act has addressed the problem of Cascading effect (double taxation) that were being levied under the hitherto system of sales tax. Under the current regime of VAT the trader of goods has to pay the tax (VAT) only on the Value added on the goods sold. Hence VAT is a multi-point levy on each of the entities in the supply chain with the facility of set-off of input tax- that is the tax paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax. Periodical returns are required to be filed with the VAT Department of the respective States by the Company.

### **Income Tax Act, 1961**

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its "Residential Status" and "Type of Income" involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 30th September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Fringe Benefit Tax, Advance Tax, and Minimum Alternative Tax and like are also required to be complied by every Company.

**Central Sales Tax Act, 1956**

In accordance with the Central Sales Tax Act, every dealer registered under the Act shall be required to furnish a return in Form I (Monthly/ Quarterly/ Annually) as required by the State sale Tax laws of the assessee authority together with treasury challan or bank receipt in token of the payment of taxes due.

**Professional Tax**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

**INTELLECTUAL PROPERTY RIGHTS LEGISLATIONS****Trade Marks Act, 1999 (Trade Marks Act)**

The Trade Marks Act provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading and to obtain relief in case of infringement for commercial purposes as a trade description. The registration of a trademark is valid for a period of 10 years and can be renewed in accordance with the specified procedure. Application for trademark registry has to be made to controller-general of patents, designs and trade - marks who is the registrar of trademarks for the purposes of the Trade Marks Act. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks.

**Shops and Establishments legislations in various States**

Our Company is governed by the various Shops and Establishments legislations, as applicable, in the states where it has its branch offices. These legislations regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

**OTHER APPLICABLE LAWS****The Indian Stamp Act, 1899**

Under the Indian Stamp Act, 1899, stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

**The Indian Contract Act, 1872**

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as 'void' or 'voidable'. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

## HISTORY AND CERTAIN CORPORATE MATTERS

### History of our Company

Our Company was originally incorporated on April 15, 2011 as 'Veeram T.V Network Private Limited' under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Ahmedabad (the "RoC"). The name of our Company was changed from Veeram T.V Network Private Limited to Veeram Spiritual Energies Private Limited and fresh certificate of incorporation consequent upon change of name was issued by the Roc on February 26, 2014. Subsequently the name of our Company was changed from Veeram Spritual Energies Private limited to Veeram Ornaments Private Limited and fresh certificate of incorporation consequent upon change of name was issued by the Roc on June 10, 2016. Our Company was converted into a public limited company pursuant to a special resolution passed by our shareholders at the EGM held on June 24, 2016 and the name of our Company was changed to Veeram Ornaments Ltd. A fresh certificate of incorporation was issued by the RoC on July 26, 2016.

We are integrated as a Wholesaler of branded Jewellery & Ornaments. We are also into trading business of silver and distributor of readymade gold & silver Jewellery & Ornaments. Our portfolio of products includes gold and silver jewellery with or without studded precious and semi-precious stones. Our Jewelries and ornaments are designed keeping in mind the demand for the Traditional, Modern & Indo-Western jewellery & ornaments in India. With regional diversity of tastes and preferences, we have diverse portfolio of Ornaments and Jewellery to suit the taste and preferences of one & all. Our gold & silver traditional jewelries & ornaments are either made with kundan, gem stones, American diamonds etc or just plain gold or silver.

For further details of our Company's activities, services and the growth of our Company, please refer to the chapters titled '*Business Overview*' and '*Management's Discussion and Analysis of Financial Conditions and Results of Operations*' beginning on page 105 and 175 respectively of this Draft Prospectus.

The total number of members of our Company as on the date of filing of this Draft Prospectus is 24 (Twenty Four). For further details, please refer the chapter titled '*Capital Structure*' beginning on page 60 of this Draft Prospectus.

### Changes in our Registered Office

Our Company's Registered Office is currently situated at Shop No. 2, Naroda Pride, Nr. Padmavati Society, Naroda-Nikol Road, Ahmedabad - 382350, Gujarat.

Details of changes in the address of the Registered Office of our Company are set forth as under:

Effective Date	From	To	Reason
30-3-2016	36, Shreyas Park Society, Near Prernatirth Derasar, B/H. ISRO, Satellite, Ahmedabad - 380015, Gujarat.	Shop No. 2, Naroda Pride, Nr. Padmavati Society, Naroda-Nikol Road, Ahmedabad - 382350, Gujarat.	Administrative Convenience

### Main Objects of our Company

To carry on the trades or business of manufacturing, making, buying, selling, importing, exporting and dealing in ornaments and jewelleryes of all kinds whether of Gold, Silver, Platinum, rolled gold and other metals and alloys, precious stones like diamonds, rubies, emeralds, pearls any other substances and to establish and maintain factories and workshops for manufacturing and making such ornaments and jewelleryes and other articles.

### Amendments to the MoA of our Company since Incorporation

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

Date of EGM	Particulars
11.02.2014	Change of Main Object of the Company to provide, encourage, initiate or promote facilities for the discovering, improvement or development of new methods or to Assist people with the help of alternative therapies of spiritual (cosmic) energies for making life boosting mentally, physically and spiritually stronger and thereby building happier lives and better life to public at large.
22.02.2014	Change of name of the Company from Veeram T.V. Network Private Limited to Veeram Spiritual Energies Private Limited.
31.03.2014	Increase in Authorised Share Capital Rs. 1,00,000/- divided into 10,000 Equity Shares of Rs. 10/- each to Rs.11,00,000/- divided into 1,10,000 Equity Shares of Rs. 10/-.
16.01.2016	Increase in Authorised Share Capital Rs. 11,00,000/- divided into 1,10,000 Equity Shares of Rs. 10/- each to Rs.50,00,000/- divided into 5,00,000 Equity Shares of Rs. 10/-.
28.05.2016	Change of name of the Company from "Veeram Spiritual Energies Private Limited" to "Veeram Ornaments Private Limited".
28.05.2016	Change of Main Object of the Company to carry on the trades or business of manufacturing, making, buying, selling, importing, exporting and dealing in ornaments and jewellerys of all kinds whether of Gold, Silver, Platinum, rolled gold and other metals and alloys, precious stones like diamonds, rubies, emeralds, pearls any other substances and to establish and maintain factories and workshops for manufacturing and making such ornaments and jewellerys and other articles.
24.06.2016	Conversion of Company from Private Limited to Public Limited and consequent change in the name from "Veeram Ornaments Private Limited" to "Veeram Ornaments Limited".
24.06.2016	Increase in Authorised Share Capital Rs. 50,00,000/- divided into 5,00,000 Equity Shares of Rs. 10/- each to Rs.3,00,00,000/- divided into 30,00,000 Equity Shares of Rs. 10/-.
18.07.2016	Increase in Authorised Share Capital from Rs.3,00,00,000/- divided into 30,00,000 Equity Shares of Rs. 10/- each to Rs.4,14,00,000/- divided into 41,40,000 Equity Shares of Rs. 10/-.
30.07.2016	Increase in Authorised Share Capital from Rs.4,14,00,000/- divided into 41,40,000 Equity Shares of Rs. 10/- each to Rs.4,25,00,000/- divided into 42,50,000 Equity Shares of Rs. 10/- and new set of Memorandum of Association was passed in the EGM held
11.08.2016	Increase in Authorised Share Capital from Rs.4,25,00,000/- divided into 42,50,000 Equity Shares of Rs. 10/- each to Rs.4,33,10,000/- divided into 43,31,000 Equity Shares of Rs. 10/-.

### KEY EVENTS AND MILESTONES

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

Year	Particulars
2011	Company Incorporated as Veeram T.V Network Private Limited W.E.F. 15/04/2011.
2014	Veeram T.V Network Private Limited changed its Main Object to provide, encourage, initiate or promote facilities for the discovering, improvement or development of new methods or to Assist people with the help of alternative therapies of spiritual (cosmic) energies for making life boosting mentally, physically and spiritually stronger and thereby building happier lives and better life to public at large.
2014	Company changed its name from Veeram T.V Network Private Limited to Veeram Spiritual Energies Private Limited
2016	Company changed its name from Veeram Spritual Energies Private limited to Veeram Ornaments Private Limited

2016	Company changed its Object to carry on the trades or business of manufacturing, making, buying, selling, importing, exporting and dealing in ornaments and jewelleryes of all kinds whether of Gold, Silver, Platinum, rolled gold and other metals and alloys, precious stones like diamonds, rubies, emeralds, pearls any other substances and to establish and maintain factories and workshops for manufacturing and making such ornaments and jewelleryes and other articles.
2016	Veeram Ornaments Private Limited converted to Veeram Ornaments Limited.

## CORPORATE PROFILE OF OUR COMPANY

For details in relation to our corporate profile including details of our business, geographical presence, growth, competition, products, suppliers, customers, capacity build-up, technology, and managerial competence, please see sections entitled "Business Overview" and "Our Management" on pages 105 and 120, respectively.

## OUR HOLDING COMPANY

As of the date of this Draft Red Herring Prospectus, our Company does not have a holding company. Our Company is not a subsidiary of any company. Further, as on the date of this Draft Prospectus our Company does not have any subsidiary company.

## OUR SUBSIDIARY COMPANY

As of the date of this Draft Red Herring Prospectus, our Company does not have a subsidiary company.

## OTHER DECLARATIONS AND DISCLOSURES

Our Company is not a listed entity and its securities have not been refused listing at any time by any recognized stock exchange in India or abroad. Further, our Company has not made any Public Issue or Rights Issue (as defined in the SEBI (ICDR) Regulations) in the past. No action has been taken against our Company by any Stock Exchange or by SEBI. Our Company is not a sick company within the meaning of the term as defined in the Sick Industrial Companies (Special Provisions) Act, 1985. Our Company is not under winding up nor has it received a notice for striking off its name from the relevant Registrar of Companies.

## FUND RAISING THROUGH EQUITY OR DEBT

For details in relation to our fund raising activities through equity and debt, please refer to the chapters titled '*Financial Statements*' and '*Capital Structure*' beginning on page 143 and 60, respectively, of this Draft Prospectus.

## REVALUATION OF ASSETS

Our Company has not revalued its assets since its incorporation.

## CHANGES IN THE ACTIVITIES OF OUR COMPANY HAVING A MATERIAL EFFECT

Other than the above, there has been no change in the activities being carried out by our Company during the preceding five years from the date of this Draft Prospectus which may have a material effect on the profits/ loss of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

## INJUNCTIONS OR RESTRAINING ORDERS

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

## MERGERS AND ACQUISITIONS IN THE HISTORY OF OUR COMPANY

There has been no merger or acquisition of businesses or undertakings in the history of our Company.

## DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS:

There have been no Defaults or Rescheduling of borrowings with financial institutions/banks. None of our outstanding loans have been converted into equity shares.

## STRIKES AND LOCK-OUTS

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

## TIME AND COST OVERRUNS IN SETTING UP PROJECTS

As on the date of this Draft Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company.

## AGREEMENTS WITH OUR PROMOTER AND PROMOTER GROUP

Our Company has entered into following agreement with our Promoter and Promoter Group:

Date of Agreement	Nature of Agreement	Name of the Promoters with whom agreement was made	Brief details
25 <sup>th</sup> January, 2016	Conversion agreement for conversion of loan into shares	Mrs. Pinalben Rakshitbhai Shah	Pinalben Rakshitbhai Shah provided unsecured loan of Rs 1,25,00,100.00. The Company converted Rs 1,25,00,100.00 into 1,38,890 Shares of Rs. 10/- each at premium of Rs. 80/- per share.
15 <sup>th</sup> March, 2016	Conversion agreement for conversion of loan into shares	Mrs. Pinalben Rakshitbhai Shah	Promoter Mrs. Pinalben Rakshitbhai Shah provided unsecured loan of Rs 49,99,950.00. The Company converted Rs49,99,950.00 into 55,555 Shares of Rs. 10/- each at premium of Rs. 80/- per share.
29 <sup>th</sup> July, 2016	Conversion agreement for conversion of loan into shares	Mr. Rakshitbhai Shah and Mrs. Pinalben Rakshitbhai Shah	Loan taken from Mr. Rakshitbhai Shah and Mrs. Pinalben Rakshitbhai Shah for the amount of Rs 10,00,000/- and Rs 64,70,000/- respectively. The Company converted Rs 74,70,000/- into 83,000 Shares of Rs. 10/- each at premium of Rs. 80/- per share.

**SHAREHOLDERS' AGREEMENT**

Our Company does not have any subsisting shareholders' agreement as on the date of this Draft Prospectus.

**BUSINESS AGREEMENT**

Our Company does not have any business agreement as on the date of this Draft Prospectus.

**OTHER AGREEMENTS**

Our Company does not have any other agreement as on the date of this Draft Prospectus.

**STRATEGIC PARTNERS**

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

**FINANCIAL PARTNERS**

As on the date of this Draft Prospectus, our Company does not have any financial partners.

## OUR MANAGEMENT

As per the Articles of Association of our Company, we are required to have not less than three (3) Directors and not more than twelve (12) Directors on its Board. As on date of this Draft Prospectus, our Board consists of Five (5) Directors. Mr. Mahendrabhai Ramniklal Shah is the Managing Director of our Company.

### The Board of Directors of our Company

The following table sets forth certain details regarding the members of our Company's Board as on the date of this Draft Prospectus:

Sr. No.	Name, Father's Name, Designation, Address, Nationality, Age, Occupation and DIN	Date of Appointment as Director and Term of Office	Other Directorships
1.	<p>Mr. Mahendrabhai Ramniklal Shah</p> <p>S/o Mr. Ramniklal Ratilal Shah</p> <p>Designation: Managing Director</p> <p>Address: B-1 Payal Park Soceity Saijpur Bogha Ahmedabad 382346 Gujarat India</p> <p>Nationality: Indian</p> <p>Age: 57 years</p> <p>Occupation: Business</p> <p>DIN: 03144827</p>	<p>Date of appointment: 24<sup>th</sup> June, 2016</p> <p>Term: <b>Five years w.e.f 24<sup>th</sup> June, 2016</b></p>	1. Darshan Orna Limited
2.	<p>Mr. Rakshit Mahendra Shah</p> <p>S/o: Mahendra Manchand bhai Shah</p> <p>Designation: Executive Director</p> <p>Address: 36, Shreyas Park Society, Nr. Prematirth Bunglow 2 Opp. Sukirti Anexe, B/H. Isro, Satellit E, Ahmedabad 380015 Gujarat India</p> <p>Nationality: Indian</p> <p>Age: 37 years</p> <p>Occupation: Profession</p> <p>DIN: 03461560</p>	<p>Date of appointment: 15<sup>th</sup> April, 2011</p>	<p>1. Ardi Investment And Trading Co Ltd</p> <p>2. Guinness Corporate Advisors Private Limited</p>
3.	<p>Mrs Pinal RakshitBhai Shah</p> <p>w/o : Rakshit Mahendra Shah</p> <p>Designation: Non Executive Director</p> <p>Address: 36, Shreyas Park Society, Nr. Prematirth Bunglow 2 Opp. Sukirti</p>	<p>Date of appointment: 3<sup>rd</sup> February, 2014</p> <p>Term: Liable to retire by rotation</p>	N.A

	<p>Anexe, B/H. Isro, Satellit E, Ahmedabad 380015 Gujarat India</p> <p>Nationality: Indian</p> <p>Age: 35 years</p> <p>Occupation: Business</p> <p>DIN: 06799639</p>		
4.	<p>Mr. Shankar Prasad Bhagat</p> <p>S/o. Ramdeo Bhagat</p> <p>Designation: Independent Director</p> <p>Address: A-9,Sharin Park Bodakdev Ahmedabad 380054 Gujarat India</p> <p>Nationality: Indian</p> <p>Age: 65 years</p> <p>Occupation: Profession</p> <p>DIN: 01359807</p>	<p>Date of appointment: 28<sup>th</sup> May, 2016</p> <p>Term: Five years w.e.f 28<sup>th</sup> May, 2016</p>	<ol style="list-style-type: none"> <li>1. Rushil Decor Limited</li> <li>2. Minal Industries Limited</li> <li>3. Oasis Tradelink Limited</li> <li>4. Amrapali Capital And Finance Services Ltd</li> <li>5. Riddhi Steel And Tube Limited</li> <li>6. India Green Reality Limited</li> </ol>
5.	<p>Mr. Manohar Bhai Bharat Bhai Chunara</p> <p>S/o. Bharat Bhai Govind Bhai Chunara</p> <p>Designation: Independent Director</p> <p>Address: 1, Modi Compound, Bungalow Area Road, Saijpur Bogha, Ahmedabad 382345 Gujarat India</p> <p>Nationality: Indian</p> <p>Age: 30 years</p> <p>Occupation: Profession</p> <p>DIN: 07280916</p>	<p>Date of appointment: 28<sup>th</sup> May, 2016</p> <p>Term: Five years w.e.f 26<sup>th</sup> May, 2016</p>	<ol style="list-style-type: none"> <li>1. Darshan Orna Limited</li> <li>2. India Green Reality Limited</li> </ol>

**Note:**

1) None of the above mentioned Directors are on the RBI List of willful defaulters as on the date of this Draft Prospectus.

2) None of the Promoters, persons forming part of our Promoter Group, our Directors or persons in control of our Company or our Company are debarred by SEBI from accessing the capital market.

### Brief Profile of the Directors of our Company

**Mahendrabhai Ramniklal Shah**, aged 57 years is the Managing Director of our company. He was appointed as the Director on 20<sup>th</sup> June, 2016. He is an undergraduate but has over 25 years of work experience in Jewellery & Ornaments industry. He is also managing director of Darshan Orna Ltd. He is also proprietor of M/s Darshan Ornaments. He is currently responsible for strategic initiatives of our business.

**Rakshit Mahendra Shah**, aged 37 years is the Chairman and Executive Director of our company. He was appointed as the Director on 15<sup>th</sup> April, 2011. He holds the degree of Bachelor of Commerce and fellow member of the Institute of Chartered Accountants of India. He is also an associate member of Institute of Company Secretaries of India. He is Practicing Chartered accountant since last 15 Years & has well versed experience in accounting and financing field. He is also the promoter of our company since incorporation. He is currently responsible for day to day affairs of the Company.

**Pinal Rakshitbhai Shah**, aged 35 years is the Director of our company. She was appointed as Director on 30<sup>th</sup> September, 2014. She holds the Bachelor degree of Science from the reputed University of Gujarat. She has over 5 years experience in the field of jewellery designing.

**Manoharbhai Bharatbhai Chunara**, aged 30 years is the Independent Director of our company. He was appointed as the Director on 28<sup>th</sup> May, 2016. He holds the Bachelor degree of Commerce and is also an associate member of Institute of Company Secretaries of India. He is a Practicing Company Secretary by profession. He is well experienced in all corporate compliances such as Company Law, Listing Compliances, SEBI, RBI and others.

**Shankar Prasad Bhagat**, aged 65 years is the Independent Director of our company. He was appointed as the Director on 28<sup>th</sup> May, 2016. He holds the Bachelor degree of Commerce & fellow member of the Institute of Chartered Accountants of India. Mr. Shankar Prasad Bhagat is Practising Chartered Accountant by profession since last 30 Years. Possessing well versed experience in Audit and Taxation of Companies, Firms and Individual, Banks. He has also worked as a Statutory Auditor for State Bank of India, Indian Bank and Internal Auditor for various public and private limited companies. He now serves as an Independent Director on a few corporate boards.

### Relationship between Directors

Except as stated below, none of the Directors of the Company are related to each other as per section 2(77) of the Companies Act, 2013

Director	Other Director	Relation
Mr. Rakshit Mahendra Shah	Mrs. Pinal Rakshit bhai Shah	Spouse

### Borrowing power of the Board

For further details of the provisions of our Articles of Association regarding borrowing powers, please refer to the section titled 'Main Provisions of the Articles of Association' beginning on page 267 of this Draft Prospectus.

### Compensation of our Directors

Set forth below is the remuneration received by our Director in fiscal 2016.

S. No.	Name of Director	Amount (in Rs. Lakhs)
1.	Mahendrabhai Ramniklal Shah	20,000.00
	<b>Total</b>	<b>20,000.00</b>

### Terms and conditions of employment of our Managing Director

Mr. Mahendrabhai Ramniklal Shah, **Managing Director**

a. Mr. Mahendrabhai Ramniklal Shah was designated as the Managing Director for a term of five years commencing w.e.f June 24, 2016 vide a resolution of the Board of Directors dated June 24, 2016. The remuneration payable to our Managing Director towards salary in terms of the aforesaid Board resolution shall not exceed ` 20,000 per month.

b. Mr. Rakshit Mahendra Shah, Executive Director

The remuneration payable to our Executive Director towards salary shall not exceed ` 15,000 per month.

c. Non Executive Director and Independent Directors

Non-executive and Independent Directors of the 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 other applicable laws and regulations.

### Shareholding of Directors in our Company

As on date of filing of this Draft Prospectus, except the following, none of our Directors hold any Equity Shares of our Company:

Sr. No.	Name of the Directors	Share capital in our Company	% of pre-Offer paid-up Equity Share capital in our Company
1	Pinalben R. Shah	92,28,450	29.08%
2	Rakshit M. Shah	72,41,110	22.82%
	<b>Total</b>	<b>1,64,69,560</b>	<b>51.90%</b>

### Details of current and past directorship(s) in listed companies whose shares have been / were suspended from being traded on the BSE / NSE and reasons for suspension

None of our Directors is/ was a Director in any listed company during the last five years before the date of filing this Draft Prospectus, whose shares have been/ were suspended from being traded on the BSE and NSE.

### Details of current and past directorship(s) in listed companies which have been/ were delisted from the stock exchange(s) and reasons for delisting

None of our Directors is or was a director on any listed companies which have been or were delisted from any stock exchange during the term of their directorship in such companies.

None of our Directors is or was a director of any listed companies during the five years immediately preceding the date of filing of this Draft Prospectus and until date, whose shares have been or were suspended from being traded on any stock exchange during the term of their directorship in such companies.

## **Interest of Directors**

All of our Directors may be deemed to be interested to the extent of fees payable to them (if any) for attending meetings of the Board or a committee thereof as well as to the extent of remuneration payable to them for their services as Managing Director and Whole time Director of our Company and reimbursement of expenses as well as to the extent of commission and other remuneration, if any, payable to them under our Articles of Association. Some of the Directors may be deemed to be interested to the extent of consideration received/ paid or any loans or advances provided to anybody corporate including companies and firms, and trusts, in which they are interested as directors, members, partners or trustees.

All our Directors may also be deemed to be interested to the extent of equity shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to our non-promoter Directors, out of the Offer and also to the extent of any dividend payable to them and other distribution in respect of the said equity shares.

The Directors may also be regarded as interested in the equity shares, if any, held or that may be subscribed by and allocated to the companies, firms and trusts, if any, in which they are interested as directors, members, partners, and/ or trustees.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distribution in respect of the equity shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as directors, members, partners and promoters, pursuant to the Offer.

All our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by the Company with either the Director himself or other company in which they hold directorship or any partnership firm in which they are partners, as declared in their respective declarations.

## **Interest in promotion of Our Company**

Our two Directors, Mr. Rakshit Mahendra Shah and Mrs. Pinal Rakshit bhai Shah, may be deemed to be interested in the promotion of the Company to the extent of the Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of the aforesaid Equity Shares.

## **Interest in the property of Our Company**

Our Directors have no interest in any property acquired or proposed to be acquired by our Company in the preceding two years from the date of the Draft Prospectus nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company.

## **Interest in the business of Our Company**

Further, save and except as stated otherwise in 'Annexure IV: Statement of Related Parties' Transactions' in the chapter titled 'Financial Statements' beginning on page number 143 of this Draft Prospectus, our Directors do not have any other interests in our Company as on the date of this Draft Prospectus. Our Directors are not interested in the appointment of Underwriters, Registrar and Bankers to the Offer or any such intermediaries registered with SEBI.

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the directors was selected as a director or member of senior management.

## **Interest as member of Our Company**

As on date of this Draft Prospectus, our Directors together holds 1,66,79,560 Equity Shares in our Company i.e. 52.09% of the pre Issue paid up Equity Share capital of our Company. Therefore, our Directors are interested to the extent of their respective shareholding and the dividend declared, if any, by our Company.

### Details of Service Contracts

However, there is no service contracts entered into with any Directors for payments of any benefits or amount upon termination of employment. Further, since our Company does not have any subsidiaries or associate companies as on the date of filing of this Draft Red Herring Prospectus, our Directors have received remuneration only from our Company.

### Bonus or Profit Sharing Plan for the Directors

There is no bonus or profit sharing plan for the Directors of our Company.

### Contingent and Deferred Compensation payable to Directors

No Director has received or is entitled to any contingent or deferred compensation.

### Changes in the Board for the last three years

Except as mentioned below, there has been no change in the Board of Directors during the last three (3) years:

Name of Director	Date of Appointment	Date of Resignation	Reason for Change
Mahendra Bhai Ramniklal Shah	20 <sup>th</sup> June ,2016		Additional Director
Mahendra Bhai Ramniklal Shah	24 <sup>th</sup> June, 2016		Managing Director
Manohar Bharat Bhai Chunara	28 <sup>th</sup> May, 2016		Independent Director
Pinal Rakshit Bhai Shah	3 <sup>rd</sup> February, 2014		Director
Rakshit Mahendra Bhai Shah	15 <sup>th</sup> April,2011		Director
Shankar Prasad Bhagat	28 <sup>th</sup> May,2016		Independent Director
Nilamben Ashwinbhai Shah	15 <sup>th</sup> April,2011	3 <sup>rd</sup> February, 2014	Director
Ashwinkumar Rasiklal Shah	15 <sup>th</sup> April,2011	3 <sup>rd</sup> February, 2014	Director

### Corporate Governance

The provisions of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 with respect to corporate governance and the SEBI ICDR Regulations in respect of corporate governance become applicable to our Company immediately upon the listing of Equity Shares with BSE.

Our Company currently has five Directors, of which two are executive Directors and three are non-executive Directors. Out of the three non-executive directors two are independent directors. We also have one woman director on our Board.

The Board functions either as a full board or through various committees constituted to oversee specific operational areas. Our Company's executive management provides the Board with detailed reports on its performance periodically.

Our Company has constituted the following Committees of the Board:

1. Audit Committee,
2. Nomination and Remuneration Committee; and
3. Stakeholders' Relationship Committee

#### 1. Audit Committee

The Audit Committee was constituted vide Board resolution dated 29<sup>th</sup> July, 2016. As on the date of this Draft Prospectus the Audit Committee consists of the following Directors:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Manoharbai B. Chunara	Chairman	Non Executive-Independent Director
Mr. Shankar R. Bhagat	Member	Non Executive-Independent Director
Mrs. Pinal R. Shah	Member	Non Executive-Non Independent Director

Our Company Secretary, Noopur Prakash Jain is the secretary of the Audit Committee.

The role of the audit committee shall include the following:

- (1) oversight of our company's financial reporting process, examination of the financial statement and auditor's report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of our company and fixation of audit fee;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors of our company;
- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-Section 3 of Section 134 of the Companies Act, 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 the management of our Company;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with listing and other legal requirements relating to financial statements
  - f) Disclosure of any related party transactions; and
  - g) Qualifications / modified opinion(s) in the draft audit report.
- (5) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval;
- (6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (7) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (8) Formulating a policy on related party transactions, which shall include materiality of related party transactions;
- (9) Approval or any subsequent modification of transactions of our Company with related parties and omnibus approval for related party transactions proposed to be entered into by our Company subject to such conditions as may be prescribed;
- (10) Scrutiny of inter-corporate loans and investments;
- (11) Valuation of undertakings or assets of our Company, wherever it is necessary;
- (12) Evaluation of internal financial controls and risk management systems;
- (13) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

- (14) 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;
- (15) Discussion with internal auditors of any significant findings and follow up there on;
- (16) 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;
- (17) 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;
- (18) 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;
- (19) Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
- (20) To review the functioning of the whistle blower mechanism;
- (21) Approval of the appointment of the Chief Financial Officer of our Company (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (22) Overseeing the vigil mechanism including to whom directors and employee shall report in case of any concern; and
- (23) Carrying out any other function as is mentioned in the terms of reference of the 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 of our company;
- (3) management letters / letters of internal control weaknesses issued by the statutory auditors of our company;
- (4) internal audit reports relating to internal control weaknesses;
- (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (6) statement of deviations: (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1). (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7)''

## **2. Nomination and Remuneration Committee**

The constitution of the Nomination and Remuneration Committee was constituted at a meeting of the Board of Directors held on 29<sup>th</sup> July, 2016.

As on the date of this Draft Prospectus the Nomination and Remuneration Committee consists of the following Directors:

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Mr. Manoharbai B. Chunara	Chairman	Non Executive-Independent Director
Mr. Shankar R. Bhagat	Member	Non Executive-Independent Director
Mrs. Pinal R. Shah	Member	Non Executive-Non Independent Director

Our Company Secretary, Noopur Prakash Jain is the secretary of the Nomination and Remuneration Committee.

The terms of reference of Nomination and Remuneration Committee shall, inter-alia, include the following:

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors
- (3) devising a policy on diversity of board of directors;
- (4) 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. Our Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report of our Company;
- (5) Analyzing, monitoring and reviewing various human resource and compensation matters;
- (6) Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), usually consisting of a fixed and variable component;
- (7) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (8) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (9) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee."

### 3. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee have been formed by the Board of Directors at the meeting held on 29<sup>th</sup> July, 2016.

As on the date of this Draft Prospectus the **Stakeholders Relationship Committee** consists of the following Directors:

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Mr. Manoharbai B. Chunara	Chairman	Non Executive-Independent Director
Mr. Shankar R. Bhagat	Member	Non Executive-Independent Director
Mrs. Pinal R. Shah	Member	Non Executive-Non Independent Director

Our Company Secretary, Mr. Noopur Prakash Jain is the secretary of the Shareholders/ Investors Grievance Committee.

This Committee will address all grievances of Shareholders and Investors in compliance of the provisions of Regulation 20 of the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 with the Stock Exchange and its terms of reference include the following:

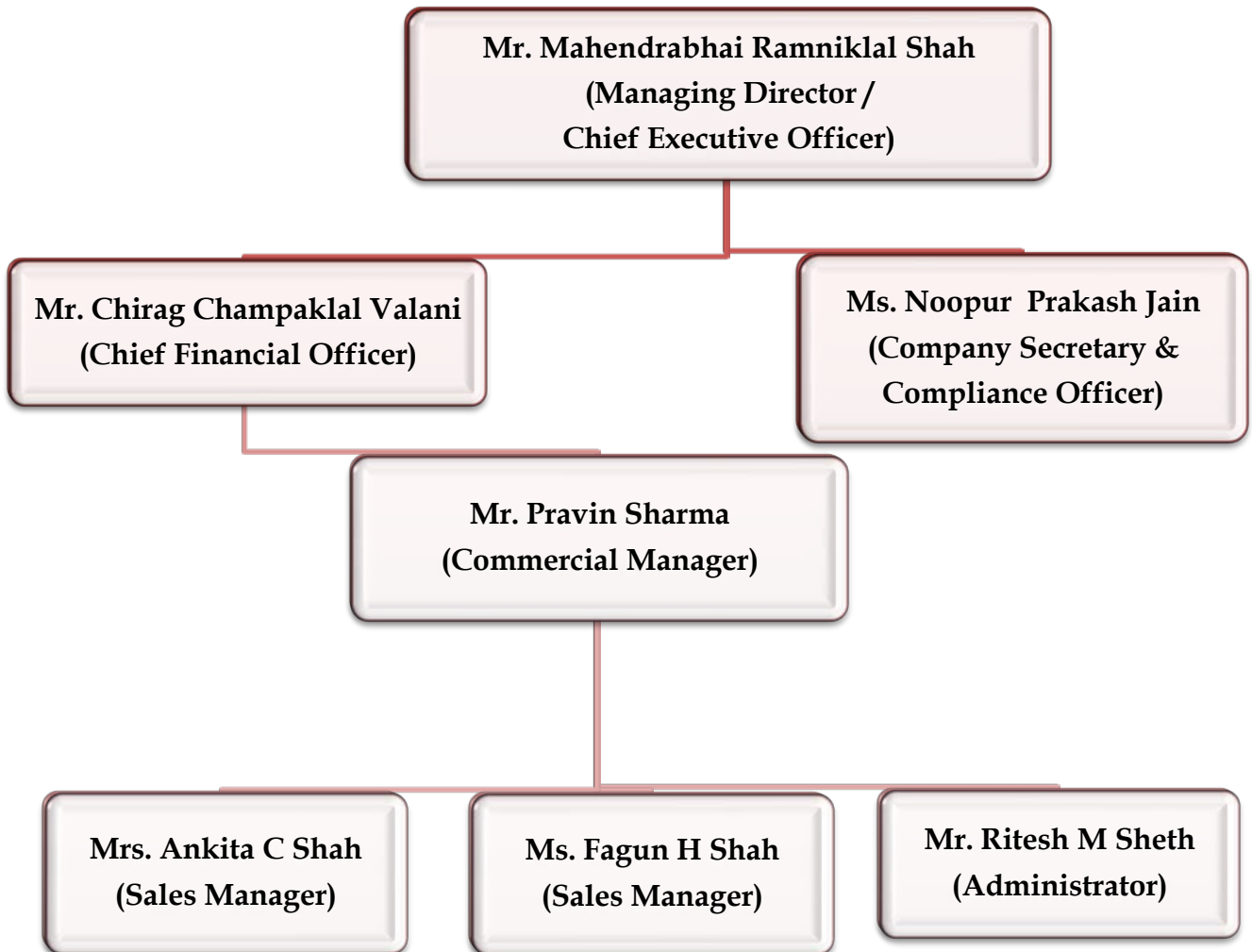
The role of the Stakeholders' Relationship Committee shall be as follows:

- 1) Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc. and assisting with quarterly reporting of such complaints;
- 2) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- 3) Giving effect to all transfer/transmission of shares and debentures, dematerialization of shares and re-materialization of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time; and
- 4) Overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services.

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

Our Company undertakes to comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 after listing of our Company's shares on the Stock Exchanges. Our Company Secretary, Noopur Prakash Jain, is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of price sensitive information and in the implementation of the code of conduct under the overall supervision of the Board.

## Management Organization Chart



### Key Managerial Personnel

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

**Mahendrabhai Ramniklal Shah**, aged 57 years is the Managing Director of our company. He was appointed as the Director on 20<sup>th</sup> June, 2016. He has over 25 years of work experience in Jewellery & Ornaments industry.

**Ms Noopur Prakash Jain**, aged 25 years is appointed as the Company Secretary and Compliance Officer of the company. She is an associate member of Institute of Company Secretaries of India. She is connected with our company since 15<sup>th</sup> June, 2016. She has experience in secretarial field and also worked as an administration cum finance head at Shree maharishi college of Vedic astrology.

**Chirag Champaklal Valani**, aged 33 years is the Chief Financial Officer of our Company. He is the qualified Chartered Accountant holds the degree of CFO from Institute of Chartered Accountant of India. He was appointed as CFO we.f. June 21, 2016. He has over seven years of experience in the field of Finance.

**Notes:**

- All of our Key Managerial Personnel mentioned above are on the payrolls of our Company as permanent employees.
- There is no agreement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the above mentioned personnel was selected as a director or member of senior management.
- None of the Key Managerial Personnel are "related" to the Promoters or Directors of our Company as defined under the Companies Act.

**Details of Service Contracts of our Key Managerial Personnel**

Our key managerial personnel have not entered into any other contractual arrangements with our Company.

**Bonus and/ or Profit Sharing Plan for the Key Managerial Personnel**

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

**Contingent and Deferred Compensation payable to Key Managerial Personnel**

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

**Shareholding of the Key Managerial Personnel**

None of our Key Managerial Personnel are holding any Equity Shares in our Company as on the date of this Draft Prospectus.

**Interest of Key Managerial Personnel**

Mr. Mahendrabhai Shah, Managing Director of the Company and hence a Key Managerial Personnel of the Company and may deemed to be interested to the extent of the shareholding in our Company, remuneration, reimbursement of expenses payable to him for services rendered to us in accordance with the provisions of the Companies Act and in terms of agreement entered into with our Company, if any and AOA of our Company. He may be interested as Mrs. Arunaben M Shah wife of Mr. Mahendrabhai Shah is the owner of Shop No. 2, Naroda Pride, Nr. Padmavati Society, Naroda-Nikol Road, Ahmedabad – 382350 and the rent is payable to her.

None of our key managerial personnel has any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business.

None of our key managerial personnel has been paid any consideration of any nature, other than their remuneration.

**Changes in Our Company's Key Managerial Personnel during the last three years**

Following have been the changes in the Key Managerial Personnel during the last three years:

Sr. No.	Name	Date of Joining	Date of Leaving	Reason
1	Chirag Champaklal Valani	20 <sup>th</sup> June ,2016	-	Appointment
2	Noopur Prakash Jain	15 <sup>th</sup> June ,2016	-	Appointment

**Scheme of Employee Stock Options or Employee Stock Purchase**

Our Company does not have any Employee Stock Option Scheme or other similar scheme giving options in our Equity Shares to our employees.

**Employees**

As on the date of this Draft Prospectus, our Company has Nine (9) employees including the Managing Director and Executive Director. For details of the Employees/ Manpower of our Company, please refer to the paragraph titled 'Manpower' under the chapter titled 'Business Overview' beginning on page 105 of this Draft Prospectus.

**Loans to Key Managerial Personnel**

None of our key managerial personnel has been paid any loans of any nature, other than their remuneration

**Payment of Benefits to officers of Our Company (non-salary related)**

Except as disclosed in the Draft Prospectus, other than statutory payments and remuneration, in the last two years, we have not paid or have intended to pay any other amount or benefit to any of our officers.

**Retirement Benefits**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company.


**Arrangements and Understanding with Major Shareholders**


None of our key managerial personnel or Directors has been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

## OUR PROMOTERS AND PROMOTER GROUP

Mr. Rakshit Mahendra Shah and Mrs Pinal Rakshit Bhai Shah are the Promoters of our company. As on date of the draft prospectus, our promoters hold in aggregate 16,46,956 Equity Shares representing 51.90% of pre issue paid up capital of our company.

Brief profile of our promoters is as follows:

Mr. Rakshit Mahendra Shah - Chairman and Executive Director	
Age	38 Years
Address	36, Shreyas Park Society, Nr. Prematirth Bunglow 2 Opp. Sukirti Anexe, B/H. Isro, Satellit E, Ahmedabad 380015 Gujarat India
Qualification	Chartered Accountant
Experience	15 Years
Occupation	Practicing Chartered Accountant
Permanent Account Number	AKIPS9122R
Driving License Number	01/97/0265
Voter Identification Card Number	MCS8811663
No. of Equity Shares held in [% of Shareholding (Pre Issue)]	7,24,111 Equity Shares representing 22.82% of the Pre Issue Capital
Other Interests	<b>Other Directorship</b> 3. Ardi Investment And Trading Co Ltd 4. Guinness Corporate Advisors Private Limited <b>HUF: M/s Rakshit Mahendrabhai Shah HUF</b> <b>Partnership : Rakshit M. Shah &amp; Co</b>

Mrs. Pinal Rakshitbhai Shah - Non Executive Director	
Age	35 years
Address	36, Shreyas Park Society, Nr. Prematirth Bunglow 2 Opp. Sukirti Anexe, B/H. Isro, Satellit E, Ahmedabad 380054 Gujarat India
Qualification	Bachelor of Science
Experience	10 years
Occupation	Business
Permanent Account Number	BEAPS7911B
Driving License Number	Gj06070038/02
Voter Identification Card Number	MCS8811663
No. of Equity Shares held in [% of Shareholding (Pre Issue)]	9,22,845 Equity Shares representing 29.08% of the Pre Issue Capital
Other Interests	<b>Proprietorship :</b> Jinanshi Glitter & Glitz

## Declaration

Our Company confirms that the permanent account number, Voter ID Number, Driving Licence Number and passport number of our Promoters have been submitted to the Stock Exchange at the time of filing of the Draft Prospectus with it.

## Confirmations

The Promoters, Promoter Group entities or Group Company have not been debarred from accessing the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Neither of our Promoters was or also is a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI.

Neither our Promoters, the relatives of our Promoters (as defined under the Companies Act) nor our Group Companies have been declared as a wilful defaulter by the RBI or any other government authority and there are no violations of securities laws (in India or overseas) committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them. Neither our Promoter nor our Group companies have become sick companies under the SICA. Further, no winding up proceedings have been initiated against the Promoters or the Group Companies, except as disclosed in the section "Our Group Entities" on page 137 of this Draft Prospectus.

For other confirmations of the Promoters and Group Companies, please see the chapter titled "Other Regulatory and Statutory Disclosures" beginning on page 189 of this Draft Prospectus. Additionally, neither the Promoters, Promoter Group Entities nor our Group Company have become defunct in the five years preceding the filing of this Draft Prospectus.

## Interest of Promoters

### 1. Interest in promotion of Our Company

Our Company is promoted by Mr. Rakshit Mahendra Shah and Mrs Pinal Rakshit Bhai Shah. Our promoters, as stated herein before, are interested to the extent that they have promoted our Company and to the extent of their in our Company and to the extent of their relatives shareholding in our company and influencing significant control over the management and policy decisions of our Company. Our Promoters who are also the Executive Directors Company may also be deemed to be interested to the extent of reimbursement of expenses payable to them and unsecured loan given by them to our Company. Further except as provided hereunder, our promoter are not interested in our Company in any manner:

1	Mr. Rakshit Mahendra Shah	Have extended unsecured loan to the Company.
2	Mrs. Pinal Rakshitbhai Shah	

### 2. Interest in the property of Our Company

Our Promoters do not have any interest in any property acquired by or proposed to be acquired by our Company two years prior to filing of this Draft Prospectus.

### 3. Interest as member of Our Company

Our Promoters jointly hold 16,46,956 Equity Shares representing 51.90% of pre-Offer Equity Share Capital in our Company and are therefore interested to the extent of their respective shareholding and the dividend declared, if any, by our Company.

### 4. Interest as a creditor of Our Company

As on the date of this Draft Prospectus Our company has allotted 1,38,890 equity shares of Rs. 10/- each at a premium of Rs. 80/- each on 29.02.2016 against consideration of purchase of goods on 28.02.2016 from Jinashi Gliter Glits. Our Promoter Mrs. Pinal Rakshitbhai Shah is the Propreitor of that entity. Our Promoters may be interested as creditor.

**5. Interest as Director of our Company**

Our Promoters may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or Committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of our AoA.

**6. Interest in transactions involving acquisition of land**

Our Promoters are not currently interested in any transaction with our Company involving acquisition of land, construction of building or supply of any machinery.

**Common Pursuits**

Except as mentioned in our chapter titled –“Our Group Entities” of our Promoter has any common pursuits. As these entities do not have any non – compete agreements in place amongst themselves, there is a conflict of interest between our Company and the said Promoter Company. For associated risk factor, please refer to section titled –Risk Factors beginning on page 13 of this Draft Prospectus.

**Payment or benefits to our Promoters or Promoter Group**

Except as stated in the sections “Related Party Transactions”, “Our Management” and “Our Promoters and Promoter Group”, no payment or benefits have been given to our Promoters or Promoter Group during the two years preceding the date of filing of this Draft Prospectus, nor is there any intention to pay or give any benefit to our Promoters or Promoter Group.

**Experience of Promoters in the line of business.**

Our Promoters are in the business of jewellery for more than ten years. The company shall also endeavor to ensure that relevant professional help is sought as and when required in the future.

**Related Party Transactions**

For the transactions with our promoters, please refer to section titled “Annexure IV- “Related Party transactions” on page 153 of this draft prospectus.

**Companies / Firms from which the Promoters have disassociated themselves in the last (3) three years**

Our Promoters have not disassociated themselves from any of the Companies, Firms or other entities during the last three years preceding the date of this draft prospectus.

**Our Promoter Group**

Our Promoter Group as defined as per SEBI (ICDR) Regulations is as under:

**i. Natural Persons who form part of our Promoter Group:**

In addition to the Promoters named above, the following natural persons are part of our Promoter Group (due to their relationship with the Promoters) in terms of Regulation 2(1) (zb) of SEBI (ICDR) Regulations:

Individuals related to our Promoter:

<b>Relationship</b>	Rakshit Mahendra Shah	Pinal Rakshit Bhai Shah
<b>Father</b>	Mahendra M. Shah	Deepakbhai H. Shah
<b>Mother</b>	Vasantbala M. Shah	Premilaben D. Shah
<b>Spouse</b>	Pinal R. Shah	Rakshit Mahendra Shah
<b>Daughter</b>	Jinanshi R. Shah	Jinanshi R. Shah
<b>Son</b>	Bhavya R. Shah	Bhavya R. Shah
<b>Brother</b>	Sanket M. Shah	Dhaval D. Shah
<b>Sister</b>	N.A	Brinda
<b>Sister’s Husband</b>	N.A	Nidhi

**Corporate Entities or Firms forming part of the Promoter Group**

- ii. Our Promoter Group as defined under Regulation 2(1) (zb) (iv) of the SEBI (ICDR) Regulations, 2009 includes following entities:

Nature of Relationship	Entity
Any Body corporate in which 10 (ten) percent or more of the Equity Share capital is held by the promoter or an immediate relative of the promoter or a firm or HUF in which the promoter or any one or more of his immediate relative is a member.	I. Abhishek Securities Pvt Ltd II. Abhishek Finlease Limited
Any Body corporate in which a body corporate as provided above holds 10 (ten) percent or more of the Equity Share capital	N.A
Any HUF or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than 10 (ten) percent of the total	<b>Partnership Firm</b> Rakshit M. Shah & Co <b>HUF</b> Mahendra M Shah HUF Rakshit Mahendra Shah HUF

## OUR GROUP ENTITIES

Below mentioned are the details of Companies / entities promoted by the Promoter of Our Company. Our group company does not made any public issue or right issue of securities in the preceding three years.

Our Group Entities includes:

1. Abhishek Securities Private Limited.
2. Abhishek Finlease Limited.
3. Rakshit M. Shah & Co.
4. Rakshit Mahendra Shah HUF
5. Jinanshi Glitter & Glitz

## FINANCIAL INFORMATION OF GROUP ENTITIES

The details of our Group Companies are provided below:

### 1. Abhishek Securities Private Limited (ASPL)

Nature of Activities	Financial and insurance Service		
Date of incorporation	September 04, 1995		
CIN	U67120GJ1995PTC027263		
Registered Office Address	402, Wall Street - I, Opp. Orient Club Nr. Gujarat College, Ellisbridge, Ahmedabad - 380006		
Board of Directors	<i>Board of Directors</i>	DIN	
	Mr. Mahendrabhai Manchndlal Shah	01591552	
	Mrs. Vasantbala Mahendralal Shah	01574985	
Audited Financial Information	<i>Rs in Lakhs</i>		
	<i>For the year ended</i>		
	<i>31<sup>st</sup> March,2015</i>	<i>31<sup>st</sup> March,2014</i>	<i>31<sup>st</sup> March,2013</i>
	Paid Up Equity Share Capital	1.00	1.00
Reserves and Surplus	-0.97	-0.95	-0.93
Profit/ (Loss) After Tax	-0.03	-0.01	-0.01
Net Asset Value per Share	0.3	0.5	0.7

Shareholding Pattern as on the date of the Draft Prospectus is as follows:

Name of Shareholders	No. of Shares
Mahendra M Shah	9,800
Vasantbala M Shah	100
Abhishek Finlease Limited	50
Sanket M Shah	30
Rakshit M Shah	20
<b>Total</b>	<b>10,000</b>

*Nature and extent of interest of our promoters:*

Name of Shareholders	No. of Shares	% of shareholding	Relation with Promoter
Mahendra M Shah	9,800	98.00%	Father
Vasantbala M Shah	100	1.00%	Mother
Sanket M Shah	30	0.3%	Brother
Rakshit M Shah	20	0.2%	Promoter
<b>Total</b>	<b>10,000</b>	<b>99.05%</b>	

**Other disclosures:**

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

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

**2. Abhishek Finlease Limited (AFL)**

Nature of Activities	The Company is engaged in the business of investment consultancy services such as: <ul style="list-style-type: none"> <li>➤ Long term Finance Investments</li> <li>➤ Short Term Finance Investments</li> </ul>		
Date of incorporation	Februaury 10, 1995		
CIN	L67120GJ1995PLC024566		
Registered Office Address	402, Wall Street - I, Opp. Orient Club Nr. Gujarat College, Ellisbridge Ahmedabad - 380006		
Board of Directors	<b>Board of Directors</b>		DIN
	Mr. Mahendrabhai Manchndlal Shah		01591552
	Mrs. Vasantbala Mahendralal Shah		01574985
	Mr. Sanket Shah Mahendrabhai		01575009
	Mr. Prashant Nandlal Barot		06890612
Audited Financial Information	<i>Rs in Lakhs</i>		
	<i>For the year ended</i>		
	<b>31<sup>st</sup> March,2016</b>	<b>31<sup>st</sup> March,2015</b>	<b>31<sup>st</sup> March,2014</b>
	Paid Up Equity Share Capital	426.39	426.39
Reserves and Surplus	(45.54)	(49.06)	52.97
Profit/ (Loss) After Tax	2.80	3.13	5.50
Net Asset Value per Share	8.93	8.85	11.24

**Shareholding Pattern:**

Particulars	% of total number of Shares
Promoter & Promoter Group	66.36%
Public	33.64%
Total	100%

**Nature and extent of interest of our promoters:**

Name of Shareholders	No. of Shares	% of shareholding	Relation with Promoter
Mahendra M Shah	12,33,000	28.92%	Father
Vasantbala M Shah	4,52,375	10.61%	Mother
Sanket M Shah	1,26,392	2.96%	Brother
Rakshit M Shah	117,900	2.77%	Promoter
Pinalben Rakshitbhai Shah	23,400	0.55%	Promoter
Siddhi Sanket Bhai Shah	18,400	0.43	Spouse of Brother
Mahendra M Shah HUF	606,200	14.22	Mahendra M Shah is the Karta

**Other disclosures:**

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

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

**3. Rakshit M Shah & Company**

Nature of Activities	Chartered Accountant Firm		
Date of incorporation	10 <sup>th</sup> December.2012		
Registered Office Address	402, Wall Street - I, Opp. Orient Club Nr. Gujarat College, Ellisbridge, Ahmedabad - 380006		
Partners	Name		
	Mr Rakshit M Shah		
	Mr. Sanket Shah Mahendrabhai		
Financial Information	<i>Rs in Lakhs</i>		
	<i>For the year ended</i>		
	<i>31<sup>st</sup> March,2016</i>	<i>31<sup>st</sup> March,2015</i>	<i>31<sup>st</sup> March,2014</i>
	Capital	33.75	16.47
Profit for the year	-	0.69	-

**4. Rakshit Mahendra Shah HUF**

Status	HUF
Date of incorporation	1 <sup>st</sup> March, 2008
Registered Office Address	402, Wall Street, Opp Orient Club, Nr. Gujarat College, Ahmedabad, Gujarat-380006
Karta	Name
	Mr Rakshit M Shah
PAN	AATHS7311D
Net Total Income (Rupees in Lakhs)	For FY 2015-2016 - Rs. 2.49

#### 4. Jinanshi Glitter & Glitz

Nature of Activities	Jewellery Business
Proprietorship	Name
	Pinal Rakshit Bhai Shah
PAN No	BEAPS7911B
Address	36, Shreyas Park Society, Nr. Prematirth Bunglow 2 Opp. Sukirti Anexe, B/H. Isro, Satellit E, Ahmedabad 380054 Gujarat India

#### NATURE AND EXTENT OF THE INTEREST OF THE GROUP COMPANIES IN OUR COMPANY

##### **In the Promotion of Our Company**

None of the Group Companies have any interest in the promotion of our Company except their shareholding in our companies.

##### **In the properties acquired by our Company**

None of the Group Companies have any interest in the properties acquired by our Company within the two years of the date of filing this Draft Prospectus or proposed to be acquired by our Company.

##### **In transactions for acquisition of land, construction of building and supply of machinery**

None of the Group Companies have any interest in our Company in relation to transactions for acquisition of land, construction of building and supply of machinery.

##### **Payment of amount or benefits to our Group Entities during the last two years**

Except as disclosed in the section "*Financial Statements - Annexure IV - Related Party Transactions*" beginning on page no. 153 of this Draft Prospectus, no amount or benefits were paid or were intended to be paid to our Group Companies since the incorporation of our Company except to the extent of their shareholding and the dividend payable, if any and other distributions in respect of the Equity Shares held by them

##### **Common Pursuits of our Group Entities**

Except for Group Entity, M/s. Jinanshi Glitter & Glitz, there are no other Group Entities of our Promoters to undertake activities which are similar to ours and are currently engaged in businesses similar to ours

##### **Related business transactions within the Group Entities and its significance on the financial performance of Our Company**

For details, please see the chapter titled "*Financial Statements- Annexure IV Related Party Transactions*" on page no. 153 of this Draft Prospectus

##### **Sale/purchase between Group Entities (exceeding 10% in aggregate of the total sales or purchases of our Company)**

For details, please see the chapter titled "*Financial Statements- Annexure IV Related Party Transactions*" on page no. 153 of this Draft Prospectus

##### **Defunct Group Entities**

None of the Group Entities are defunct and no application has been made to the registrar of companies for striking off the name of any of the Group Companies during the five years preceding the date of this Draft Prospectus.

**Outstanding Litigations**

For details relating to the material legal proceedings involving our Group Companies, see the chapter titled "*Outstanding Litigations and Material Developments*" on page no. 185 of this Draft Prospectus

**Other Confirmations**

Our Group Entities have further confirmed that they have not been declared as wilful defaulters and there have been no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them except as stated under chapters "Risk Factors", "Our Group Entities" and "Outstanding Litigations and Material Developments" on page nos. 13, 137 and 185 of this Draft Prospectus, respectively. Additionally, none of our Group Companies have been restrained from accessing the capital markets for any reasons by the SEBI or any other authorities except as stated under chapters "Risk Factors", "Our Group Entities" and "Outstanding Litigations and Material Developments" on page nos. 13, 137 and 185 of this Draft Prospectus, respectively.

## DIVIDEND POLICY

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial year except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

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

Our Company has not declared any dividend on the Equity Shares in the past five financial years. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

## SECTION VII - FINANCIAL STATEMENTS

### FINANCIAL STATEMENTS AS RE-STATED

#### AUDITORS'S REPORT ON RESTATED SINANCIAL STATEMENT

To,  
The Board of Directors  
**Veeram Ornaments Limited**  
Shop No. 2, Narode Pride,  
Nr. Padmavati Society,  
Naroda - Nikol Road,  
Ahmedabad - 382350

**Sub.: Public Issue of 11,37,000 Equity Shares of face value of Rs. 10.00 each for cash at a price of Rs. 45.00 per Equity Share aggregating Rs. 511.65 Lakhs through the fixed price route**

Dear Sirs,

We have examined the Financial Information of Veeram Ornaments Limited ('the Company') described below and annexed to this report for the purpose of inclusion in the offer document. The Financial Information has been prepared in accordance with the requirements of paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act'), ), Sub- Clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 ('the Act') read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules ('the Rules'), 2014, The Securities and Exchange Board of India (SEBI) - Issue of Capital and Disclosure Requirements Regulations, 2009 ('ICDR Regulations') notified on August 26, 2009, as amended from time to time in pursuance of Section 30 of the Securities and Exchange Board of India Act, 1992 and related the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India (ICAI) and in terms of the letter of engagement dated August 04, 2016 agreed upon by us with the Company for the proposed IPO.

The Restated Financial Statements have been extracted from audited Financial Statements of the Company for the year ended March 31, 2012, 2013, 2014, 2015, 2016 and quarter ending as on June 30, 2016 which have been approved by the Board of Directors. The Restated financial statements have been adjusted for necessary adjustments which in our opinion were necessary.

The Company proposes to make an Initial Public Offer (IPO) for the fresh issue of equity shares of 11,37,000 having a face value Rs 10/- each at a price of Rs. 45/- per Equity Share.

The Audit for the financial year ended 31st March 2012, 2013 was conducted by M/s. Sanket M. Shah & Co., Chartered Accountants, Audit for the financial year ended 31st March 2014, 2015 was conducted by M/s. Jignesh Satapara & Co., Chartered Accountants and Audit for the financial year ended 31st March 2016 and Quarter ended 30th June, 2016 was conducted by M/s. Dhaval Padiya & Co., Chartered Accountants and 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.

In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of Veeram Ornaments Limited, We, DEVPURA NAVLAKHA & CO., Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of the ICAI.

Based on the above, we report that in our opinion and according to the information and explanations given to us, we have found the same to be correct and the same have been accordingly used in the restated financial information appropriately.

#### **A. Financial Information as per Audited Financial Statements:**

We have examined:

- a) the attached Statement of Assets and Liabilities, as Restated as at year ended March 31, ,2012, 2013, 2014, 2015, 2016 and quarter ended 30<sup>th</sup> June, 2016 (**Annexure 1**);
- b) the attached Statement of Profits and Losses, as Restated for the year ended March 31, ,2012, 2013, 2014, 2015, 2016 and quarter ended 30<sup>th</sup> June, 2016 (**Annexure 2**);
- c) the attached Statement of Cash Flows, as Restated for the year ended March 31, ,2012, 2013, 2014, 2015, 2016 and quarter ended 30<sup>th</sup> June, 2016 (**Annexure 3**);
- d) the significant accounting policies adopted by the Company and notes to the Restated Financial Statements along with adjustments on account of audit qualifications / adjustments / regroupings. (**Annexure 4**);

**(Collectively hereinafter referred as “Restated Financial Statements”)**

Based on our examination and in accordance with the requirements of the Companies Act, 1956, SEBI ICDR Regulations, 2009 we state that:

Restated Statement of Assets and Liabilities of the Company as at March 31, 2012, 2013, 2014, 2015, 2016 and quarter ended 30<sup>th</sup> June, 2016 are as set out in **Annexure 1**, which are after making such material adjustments and regroupings as, in our opinion are appropriate, and are to be read with the significant accounting policies and notes thereon in **Annexure 4**;

Restated Statement of Profits and Losses of the Company for the year ended March 31, 2012, 2013, 2014, 2015, 2016 and quarter ended 30<sup>th</sup> June, 2016 are as set out in **Annexure 2**, which have been arrived at after making such material adjustments and regroupings to the audited financial statements as, in our opinion are appropriate, and are to be read with the significant accounting policies and notes thereon in **Annexure 4**;

Restated Statement of Cash Flows of the Company for the year ended March 31, 2012, 2013, 2014, 2015, 2016 and quarter ended 30<sup>th</sup> June, 2016 are as set out in **Annexure 3** after making such material adjustments and regroupings; to the audited financial statements as, in our opinion are appropriate, and are to be read with the significant accounting policies and notes thereon in **Annexure 4**;

Adjustments for any material amounts in the respective financial years have been made to which they relate; and

There are no Extra-ordinary items that need to be disclosed separately in the Restated Summary Statements or Auditor's qualification requiring adjustments.

Adjustments in Financial Statements have been made in accordance with the correct accounting policies.

There was no change in accounting policies, which needs to be adjusted in the “Restated Financial Statements”.

There are no revaluation reserves, which need to be disclosed separately in the “Restated Financial Statements”.

There are no audit qualifications in the “Restated Financial Statements”.

## **B. Other Financial Information:**

We have also examined the following Financial Information relating to the Company, which is based on the Restated Financial Statements and approved by the Board of Directors of the Company and annexed to this report, is proposed to be included in the Offer Document:

1. Statement of Details of Reserves & Surplus as at March 31, 2012, 2013, 2014, 2015, 2016 and quarter ending as on June 30 2016 as set out in **Note No. 2** of this report.
2. Statement of Accounting Ratios for the year ended on March 31, 2012, 2013, 2014, 2015, 2016 and quarter ending as on June 30 2016 as set out in **Annexure 5** to this report.
3. Capitalization Statement as at June 30, 2016 as set out in **Annexure 6** to this report.
4. Statement of Tax Shelters for the year ended on March 31, 2012, 2013, 2014, 2015, 2016 and quarter ending as on June 30 2016 as set out in **Annexure 7** to this report.
5. Statement of Short Term Borrowings as at March 31, 2012, 2013, 2014, 2015, 2016 and quarter ending as on June 30 2016 as set out in **Note No. 5** to this report.
6. Statement of Long Term Borrowings as at March 31, 2012, 2013, 2014, 2015, 2016 and quarter ending as on June 30 2016 as set out in **Note No. 3** to this report.
7. Statement of Details of Trade Receivables as at March 31, 2012, 2013, 2014, 2015, 2016 and quarter ending as on June 30 2016 as set out in **Note No. 14** to this report.
8. Statement of Details of Long Term Loans and Advances as at March 31, 2012, 2013, 2014, 2015, 2016 and quarter ending as on June 30 2016 as set out in **Note No. 10** to this report.
9. Statement of Details of Short Term Loans and Advances as at March 31, 2012, 2013, 2014, 2015, 2016 and quarter ending as on June 30 2016 as set out in **Note No. 16** to this report.
10. Statement of Details of Related Party Transactions as at March 31, 2012, 2013, 2014, 2015, 2016 and quarter ending as on June 30 2016 as set out in **Annexure 4** to this report.
11. Statement of Trade Payable as at March 31, 2012, 2013, 2014, 2015, 2016 and quarter ending as on June 30 2016 as set out in **Note No. 6** to this report.
12. Statement of Current Liabilities and Short Term Provisions as at March 31, 2012, 2013, 2014, 2015, 2016 and quarter ending as on June 30 2016 as set out in **Note No. 7 and 8** to this report.
13. Statement of Fixed Assets as at March 31, 2012, 2013, 2014, 2015, 2016 and quarter ending as on June 30 2016 as set out in **Note No. 9** to this report.
14. Statement of Inventory as at March 31, 2012, 2013, 2014, 2015, 2016 and quarter ending as on June 30 2016 as set out in **Note No. 13** to this report.
15. Statement of Cash and Cash Equivalent as at March 31, 2012, 2013, 2014, 2015, 2016 and quarter ending as on June 30 2016 as set out in **Note No. 15** to this report.
16. Statement of Other Current Asset as at March 31, 2012, 2013, 2014, 2015, 2016 and quarter ending as on June 30 2016 as set out in **Note No. 17** to this report.
17. Statement of Other Income as at March 31, 2012, 2013, 2014, 2015, 2016 and quarter ending as on June 30 2016 as set out in **Annexure 8** to this report.
18. Statement of Reconciliation of Restated Profit as at March 31, 2012, 2013, 2014, 2015, 2016 and quarter ending as on June 30 2016 as set out in **Annexure 9** to this report.

In our opinion, the "Restated Financial Statements" and "Other Financial Information" mentioned above contained in Annexure 1 to 9 of this report have been prepared in accordance with Part II of Schedule II to the Companies Act, 1956, the SEBI Guidelines and the Guidance Note on the reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India (ICAI).

Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

This report should not in any way be construed as a reissuance or re-dating of the previous audit report, nor should this be construed as a new opinion on any of the financial statements referred to herein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

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

**For DEVPURA NAVLAKHA & CO.**  
**Chartered Accountants**  
Firm Registration No.: 121975W

Ashwini Devpura  
**Membership No. 047390**  
**Partner**

**Place: Ahmedabad**  
**Date: 17/08/2016**

**ANNEXURE - I - STATEMENT OF ASSETS AND LIABILITIES AS RESTATED**
**(Rupees in Lakhs)**

Particulars	Note No.	For the Period Ended June 30, 2016	For the year ended March 31,				
			2016	2015	2014	2013	2012
<b>I. EQUITY AND LIABILITIES</b>							
<b>Shareholders Funds</b>							
(a) Share Capital	1	34.33	34.33	1.00	1.00	1.00	1.00
(b) Reserves and Surplus	2	301.63	273.95	0.46	0.16	(0.18)	(0.22)
<b>Total(1)</b>		<b>335.96</b>	<b>308.29</b>	<b>1.46</b>	<b>1.16</b>	<b>0.82</b>	<b>0.78</b>
Share Application Money Pending Allotment		-	-	4.48	4.00	-	-
<b>Non-Current Liabilities</b>							
(a) Long Term Borrowings	3	45.62	10.62	7.24	-	-	-
(b) Deferred Tax Liabilities	4	-	-	-	-	-	-
(c) Other Long-Term Liabilities		-	-	-	-	-	-
(d) Long-Term Provisions		-	-	-	-	-	-
<b>Total(2)</b>		<b>45.62</b>	<b>10.62</b>	<b>7.24</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current Liabilities</b>							
(a) Short Term Borrowings	5	-	-	-	-	-	-
(b) Trade Payables	6	32.95	-	-	-	-	-
(c) Other Current Liabilities	7	0.08	0.08	4.15	3.13	-	-
(d) Short Term Provisions	8	15.79	3.41	0.11	0.28	0.02	-
<b>Total(3)</b>		<b>48.81</b>	<b>3.49</b>	<b>4.26</b>	<b>3.41</b>	<b>0.02</b>	<b>-</b>
<b>TOTAL(1+2+3)</b>		<b>430.40</b>	<b>322.40</b>	<b>17.44</b>	<b>8.57</b>	<b>0.83</b>	<b>0.78</b>
<b>II. ASSETS</b>							
<b>NON-CURRENT ASSETS</b>							
(a) Fixed Assets	9	2.95	2.95	2.87	3.29	-	-
(ii) Intangible Assets		-	-	-	-	-	-
(iii) Capital Work-In-Progress		-	-	-	-	-	-
(iv) Intangible Assets Under Dev.		-	-	-	-	-	-
(b) Non-Current Investments		-	-	-	-	-	-
(c) Deferred Tax assets (NET)		-	-	-	-	-	-
(b) Long-Term Loans and Advances	10	0.35	0.10	-	-	-	-
(c) Other Non-Current Assets	11	-	-	-	-	-	-
<b>TOTAL(1)</b>		<b>3.30</b>	<b>3.05</b>	<b>2.87</b>	<b>3.29</b>	<b>-</b>	<b>-</b>
<b>CURRENT ASSETS</b>							
(a) Current Investments	12	-	-	-	-	-	-
(b) Inventories	13	258.58	215.18	-	-	-	-
(c) Trade Receivables	14	111.80	70.57	-	2.00	-	-
(d) Cash and Cash Equivalents	15	28.97	17.11	13.96	3.28	0.83	0.78
(e) Short-Term Loans and Advances	16	22.65	15.38	0.08	-	-	-
(f) Other Current Assets	17	1.10	1.10	0.54	-	-	-
Misc Expenses	18	4.00	-	-	-	-	-
<b>TOTAL (2)</b>		<b>427.09</b>	<b>319.34</b>	<b>14.58</b>	<b>5.28</b>	<b>0.83</b>	<b>0.78</b>
<b>TOTAL (1+2)</b>		<b>430.40</b>	<b>322.40</b>	<b>17.44</b>	<b>8.57</b>	<b>0.83</b>	<b>0.78</b>

**ANNEXURE - II - STATEMENT OF PROFIT AND LOSS AS RESTATED**
**(Rupees in Lakhs)**

S. No.	PARTICULARS	Note No.	For the Period Ended June 30, 2016	For the year ended March 31,				
				2016	2015	2014	2013	2012
	<b><u>REVENUE FROM OPERATIONS</u></b>							
I	Revenue From Operations	19	199.51	145.15	4.35	7.39	0.09	-
II	Other Income	20	0.12	1.79	0.76	-	-	-
	<b>Total Revenue(I+II)</b>		<b>199.63</b>	<b>146.94</b>	<b>5.11</b>	<b>7.39</b>	<b>0.09</b>	<b>-</b>
III	<b><u>EXPENSES:</u></b>							
a	Cost of Operations	21	200.86	346.58	0.66	0.04	-	-
b	Purchase Of Stock-In-Trade							
	Changes In Inventories Of Finished Goods Work-In-progress And Stock-In-Trade		(43.40)	(215.18)	-	-	-	-
c	Employee Benefits Expenses	22	1.64	2.94	1.80	1.20	-	-
d	Finance Costs	23	0.01	-	-	-	-	-
e	Depreciation And Amortization Expense	24	-	0.55	0.50	0.33	-	-
f	Other Expenses	25	0.47	1.85	1.82	5.22	0.05	0.22
	<b>Total Expenses</b>		<b>159.58</b>	<b>136.74</b>	<b>4.78</b>	<b>6.78</b>	<b>0.05</b>	<b>0.22</b>
IV	<b>PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)</b>		<b>40.05</b>	<b>10.20</b>	<b>0.33</b>	<b>0.61</b>	<b>0.05</b>	<b>(0.22)</b>
V	Exceptional Items							
VI	<b>PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V-VI)</b>		<b>40.05</b>	<b>10.20</b>	<b>0.33</b>	<b>0.61</b>	<b>0.05</b>	<b>(0.22)</b>
VII	Extraordinary Items							
VIII	<b>PROFIT BEFORE TAX (VII-VIII)</b>		<b>40.05</b>	<b>10.20</b>	<b>0.33</b>	<b>0.61</b>	<b>0.05</b>	<b>(0.22)</b>
IX	<b>TAX EXPENSE</b>							
	Current Tax		12.38	3.39	0.09	0.26	0.02	-
	Earlier Years Tax		-	-	-	-	-	-
	Deferred Tax		-	(0.01)	0.01	-	-	-
	Mat Credit Entitlement Account		-	-	-	-	-	-
X	<b>PROFIT(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (VII-VIII)</b>		<b>27.67</b>	<b>6.82</b>	<b>0.23</b>	<b>0.34</b>	<b>0.03</b>	<b>(0.22)</b>
XI	<b>PROFIT(LOSS) FROM DISCONTINUING OPERATIONS</b>							
XII	<b>TAX EXPENSE OF DISCONTINUING OPERATIONS</b>							
XIII	<b>PROFIT(LOSS) FROM DISCONTINUING OPERATIONS (AFTER TAX) (XII-XIII)</b>							
XIV	INCOME TAX FOR EARLIER YEARS		-	-	-	-	-	-
XV	<b>PROFIT (LOSS) FOR THE PERIOD (XI+XIV)</b>		<b>27.67</b>	<b>6.82</b>	<b>0.23</b>	<b>0.34</b>	<b>0.03</b>	<b>(0.22)</b>
XVI	<b>EARNING PER EQUITY SHARE</b>							
a	<b>BASIC (in Rupees)</b>	26	8.06	19.89	2.27	3.43	0.31	(2.16)
b	<b>DILUTED (in Rupees)</b>		8.06	19.89	2.27	3.43	0.31	(2.16)

**ANNEXURE - III - STATEMENT OF CASH FLOW AS RESTATED**
**(Rupees in Lakhs)**

PARTICULARS	For the Period Ended June 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
<b><u>Cash Flow from Operating Activities :</u></b>						
Net Profit/ (Loss) before tax	40.05	10.20	0.33	0.61	0.05	(0.22)
Adjustments for:						
Finance Cost	0.01	0.003	0.004	-	-	-
Depreciation	-	0.55	0.50	0.33	-	-
Interest Income	(0.12)	(1.32)	(0.76)	-	-	-
<b>Operating Profit before working capital changes</b>	<b>39.94</b>	<b>9.43</b>	<b>0.07</b>	<b>0.94</b>	<b>0.05</b>	<b>(0.22)</b>
Increase / (Decrease) in short term borrowings	-	-	-	-	-	-
Increase / (Decrease) in Trade Payables	32.95	-	-	-	-	-
Increase / (Decrease) in Other Current Liabilities	-	(4.07)	1.02	3.13	-	-
(Increase) / Decrease in Inventories	(43.40)	(215.18)	-	-	-	-
(Increase) / Decrease in Trade Receivable	(41.23)	(70.57)	2.00	(2.00)	-	-
Increase / (Decrease) in Short term provision	-	-	-	-	-	-
(Increase) / Decrease in Short Term Loans & Advances & other current assets	(11.26)	(15.87)	(0.62)	-	-	-
<b>Operating Profit after working capital changes</b>	<b>(23.00)</b>	<b>(296.25)</b>	<b>2.47</b>	<b>2.07</b>	<b>0.05</b>	<b>(0.22)</b>
Less: Income Tax Paid	-	0.09	0.26	-	-	-
<b>Net Cash from/ (used in) Operating Activities</b>	<b>(23.00)</b>	<b>(296.34)</b>	<b>2.21</b>	<b>2.07</b>	<b>0.05</b>	<b>(0.22)</b>
<b><u>Cash Flow from Investing Activities :</u></b>						
(Purchase)/ Sale of Fixed Assets	-	(0.63)	-	(3.62)	-	-
(Purchase)/ Sale of Current Investments	-	-	-	-	-	-
(Increase) / Decrease in Long Term Loans & Advances	(0.25)	(0.10)	-	-	-	-
Interest Income	0.12	1.32	0.76	-	-	-
<b>Net Cash from/ (used in) Investing Activities</b>	<b>(0.13)</b>	<b>0.59</b>	<b>0.76</b>	<b>(3.62)</b>	<b>-</b>	<b>-</b>
<b><u>Cash Flow from Financing Activities :</u></b>						
Increase / (Decrease) in Long Term Borrowings	35.00	3.38	7.23	-	-	-
Proceeds from Issue of shares	-	300.00	-	-	-	1.00
Proceeds from application money pending allotment	-	(4.48)	0.48	4.00	-	-
Finance Cost paid	(0.01)	(0.003)	(0.004)	-	-	-
<b>Net Cash from/ (used in) Financing Activities</b>	<b>34.99</b>	<b>298.90</b>	<b>7.71</b>	<b>4.00</b>	<b>-</b>	<b>1.00</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>11.86</b>	<b>3.15</b>	<b>10.68</b>	<b>2.45</b>	<b>0.05</b>	<b>0.78</b>
<b>Cash &amp; Cash Equivalents as at the beginning of the year</b>	<b>17.11</b>	<b>13.96</b>	<b>3.28</b>	<b>0.83</b>	<b>0.78</b>	<b>-</b>
<b>Cash &amp; Cash Equivalents as at the end of the year</b>	<b>28.97</b>	<b>17.11</b>	<b>13.96</b>	<b>3.28</b>	<b>0.83</b>	<b>0.78</b>

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNT FOR PREPARATION OF RESTATED FINANCIAL STATEMENT

### 27 CORPORATE INFORMATION

VEERAM ORNAMENTS LIMITED (the Company) is an unlisted public limited company domiciled in India originally incorporated as private limited company under the provisions of the Companies Act, 1956 named as Veeram T.V Network Private Limited on 15.04.2011. The name of the company was changed from Veeram T.V Network Private Limited to Veeram Spiritual Energies Private Limited on 26.02.2014 and again the name of the company was changed from Veeram Spiritual Energies Private Limited to Veeram Ornaments Private Limited on 10.06.2016. The company was converted from Pvt Ltd Company to Public Limited Co. on 26.07.2016 from Veeram Ornaments Private Limited to Veeram Ornaments Limited.

### SIGNIFICANT ACCOUNTING POLICIES & NOTES :

#### A. Basis Of Preparation of Financial Statements

The restated summary statement of assets and liabilities of the Company as at June 30, 2016, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 and the related restated summary statement of profits and loss and cash flows for the period ended June 30, 2016 and years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 have been compiled by the management from the audited financial statements of the Company for the period ended June 30, 2016 and years ended on March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 approved by the Board of Directors of the Company. Restated Summary Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the SEBI Guidelines) issued by SEBI and Guidance note on Reports in Companies Prospectus (Revised). Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the SME Platform of BSE in connection with its proposed Initial public offering of equity shares. The Company's management has recast the financial statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of Restated Summary Statements.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

The financial statements have been prepared on an accrual basis except as otherwise stated.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company ascertains its operating cycle for the purpose of current/non-current classification of assets and liabilities.

#### B. Use Of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**C. Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**D. Provision For Current And Deferred Tax**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

**E. Investment**

The company does not have any investment.

**F. Current Assets, Loans & Advances**

In the opinion of the Board and to the best of its knowledge and belief the value on realisation of current assets in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and repayable on demand.

**G. Inventories**

Finished and Semi-Finished products produced and purchased by the Company are carried at lower of cost and net realisable value after providing for obsolescence, if any.

Work-in-progress is carried at lower of cost and net realisable value.

Stock of raw materials, stores, spare parts and packing materials are valued at lower of cost less CENVAT Credit/ VAT availed or net realisable value.

Cost of inventories comprises all costs of purchase, cost of conversion and other costs.

**H. Fixed Assets and Depreciation**

**Tangible assets**

Tangible assets are stated at their cost of acquisition net of receivable CENVAT and VAT Credits. All costs, direct or indirect, relating to the acquisition and installation of fixed assets and bringing it to its working condition for its intended use are capitalised and include borrowing costs and adjustments arising from foreign exchange rate variations directly attributable to construction or acquisition of fixed assets. Depreciation on fixed assets is provided on straight line method (SLM) on the useful lives in the manner specified in Schedule II to the Companies Act, 2013 w.e.f financial year 2014-15. In respect of assets acquired/sold during the year, depreciation has been provided on pro-rata basis with reference to the days of addition/put to use or disposal. In the restated financials depreciation on fixed assets for FY 2013-14 has been provided on WDV Method the using the following rates as specified in Schedule XIV to the Companies Act, 1956:

A) Computer 40%

B) Music System - 13.91%

An amount of Rs. 7,899/- has been disclosed in the financial statements of FY 2014-15 as Adjustment of Depreciation due to change in depreciation method followed from WDV method to SLM method.

No Depreciation on fixed assets has been provided in the restated financials for the period from 01.04.2016 to 30.06.2016.

**I. Recognition of Income & Expenditure**

Income and expenditure is recognized and accounted for on accrual basis. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from sale of goods is recognised on transfer of significant risks and rewards of ownership to the customer and when no significant uncertainty exists regarding realisation of the consideration. Sales are recorded net of sales returns, sales tax/VAT, cash and trade discounts.

**J. Earning Per Shares**

The Company reports Basic and Diluted earnings per equity share in accordance with the Accounting Standard - 20 on Earning Per Share. In determining earning per share, the Company considers the net profit after tax and includes the post tax effect of any extraordinary/exceptional items. The number of shares used in computing basic earning per share is the weighted average number of equity shares outstanding during the period. The numbers of shares used in computing diluted earning per share comprises the weighted average number of equity shares that would have been issued on the conversion of all potential equity shares. Dilutive potential equity shares have been deemed converted as of the beginning of the period, unless issued at a later date.

**K. Provision, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

**L. Contingent Liabilities**

The company does not have any contingent liability.

**M. Managerial Remuneration**

Detail of payments and provisions on account of remuneration to managerial personnel is as under:

(Rupees in Lakhs)

Particulars	For the Period Ended June 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
Director Remuneration - Rakshit M Shah	0.15	0.60	0.90	-	-	-
Director Remuneration - Pinal R Shah	0.15	0.60	0.90	-	-	-
<b>Total</b>	<b>0.30</b>	<b>1.20</b>	<b>1.80</b>	-	-	-

**ANNEXURE - IV -STATEMENT OF RELATED PARTY TRANSACTIONS**
**N. RELATED PARTY DISCLOSURES**
**a. List of Related Parties**
**Name of related parties with whom transactions have taken place during the year:**

(i)	<b>Key Management Personnel</b>	Rakshit M Shah Pinal R Shah		
(ii)	<b>Enterprise where control exists</b>	Abhishek Securities Pvt. Ltd. Abhishek Finlease Limited Rakshit M. Shah & Co Mahendra M Shah HUF Rakshit M. shah HUF		
(iii)	<b>Relatives of Key Management Personnel</b>	Relationship	Rakshit M Shah Mahendra M. Shah Vasantbala M. Shah Pinal R. Shah Jinanshi R. Shah Bhavya R. Shah Sanket M. Shah N.A. N.A.	Pinal R Shah Deepakbhai H. Shah Premilaben D. Shah Rakshit M. Shah Jinanshi R. Shah Bhavya R. Shah Dhaval D. Shah Brinda Nidhi

(b)	Transactions with Related Parties	For the Period Ended June 30, 2016	For the year ended 31st March, 2016	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2013	For the year ended 31st March, 2012
	<b><u>Loan Taken</u></b>						
	Rakshit M Shah	0.41	0.26	1.54	0.02	-	-
	Pinal R. Shah	45.22	10.37	5.70	-	-	-
	<b><u>Purchase of goods</u></b>						
	Shakti Jewellers (Prop.: Arunaben M. Shah, W/o Mr. Mahendrabhai Ramniklal Shah, Managing Director of our Company)		125.00				
	Jinashi Gliter Glits (Prop.: Pinal R. Shah, Promoter and Director of our Company)		125.00				
	<b><u>Sale of Goods</u></b>						
	<b><u>Darshan Orna Ltd</u></b> Mr. Mahendrabhai Ramniklal Shah, Managing Director of our Company is the Promoter and Managing Director of the Darshan Orna Ltd )		77.05				
	<b><u>Property on Lease</u></b>						
	Taken property on lease from Mrs Arunaben M. Shah, W/o Mr. Mahendrabhai Ramniklal Shah, Managing Director of our		0.12				

	Company)(Rent Rs 12000 pm)						
	<b>Repayment of Unsecured Loan</b>						
	Pinal R. Shah		50.00				
	Pinal R. Shah	64.70					
	Rakshit M Shah	10.00					

**(c) List of Holding, Subsidiary and Associate Company**

- Holding Company                      The Company does not have any holding company.
- Subsidiary Company                      The Company does not have any subsidiary company.
- Associate Company                      The Company does not have any associate company.

**O EXPENDITURE IN FOREIGN CURRENCY**

The company does not incur any expenditure in foreign currency.

**P PREVIOUS YEAR FIGURES**

The Company has reclassified, rearranged and regrouped the previous year figures in accordance with the requirements applicable in the current year.

**NOTES TO AND FORMING PART OF RESTATED BALANCE SHEET**

**NOTE 1 - STATEMENT OF SHARE CAPITAL**

(Rupees in Lakhs, except share data)

Note No.	Particulars	For the Period Ended June 30, 2016		Figures as at the end of 31st March, 2016		Figures as at the end of 31st March, 2015		Figures as at the end of 31st March, 2014		Figures as at the end of 31st March, 2013		Figures as at the end of 31st March, 2012	
		Nos	Amount	Nos	Amount	Nos	Amount	Nos	Amount	Nos	Amount	Nos	Amount
<b>1</b>	<b>SHARE CAPITAL:</b>												
<b>A.</b>	<b>AUTHORISED:</b>												
	Equity Share Capital		300.00		300.00		11.00		11.00		1.00		1.00
	No. Of Equity Shares Of Rs.10/- Each		3,000,000		3,000,000		110,000		110,000		10,000		10,000
<b>B.</b>	<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>												
	Shares At The Beginning Of The Accounting Period Equity Shares Of Rs.10/- Each		34.33		1.00		1.00		1.00		1.00		1.00
	Preferential Allotment During The Year		-		33.33		-		-		-		-
	Shares At The End Of The Accounting Period		-		-		-		-		-		-
	Equity Shares Of Rs.10/- Each		34.33		34.33		1.00		1.00		1.00		1.00
<b>C.</b>	<b>Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period</b>												
		30th June, 2016		31st March, 2016		31st March, 2015		31st March, 2014		31st March, 2013		31st March, 2012	
	Particulars	Nos	Amount	Nos	Amount	Nos	Amount	Nos	Amount	Nos	Amount	Nos	Amount
	Shares outstanding at the beginning of the year	343,335	34.33	10,000	1.00	10,000	1.00	10,000	1.00	10,000	1.00	10,000	1.00
	Shares issued during the year	-	-	333,335	33.33	-	-	-	-	-	-	-	-
	Shares outstanding at the end of the year	343,335	0.00	343,335	0.00	10,000	0.00	10,000	0.00	10,000	0.00	10,000	0.00

<b>D.</b>	<b>TERMS/ RIGHTS ATTACHED TO EQUITY SHARES</b>												
	The Company has only one class of equity share having par value of Rs 10/- per share . Each holder of Equity share is entitled to one vote per share. In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts . The Distribution will be in proportion to the number of equity share held by the shareholders												
<b>E.</b>	<b>Details of shareholders holding more than 5% shares of the Company</b>												
	<b>Name Of The Shareholder ( Equity Shares Of Rs 10/ Each Fully Paid Up )</b>	<b>30th June, 2016</b>		<b>31st March 2016</b>		<b>31st March, 2015</b>		<b>31st March 2014</b>		<b>31st March, 2013</b>		<b>31st March, 2012</b>	
		<b>Nos</b>	<b>%</b>	<b>Nos</b>	<b>%</b>	<b>Nos</b>	<b>%</b>	<b>Nos</b>	<b>%</b>	<b>Nos</b>	<b>%</b>	<b>Nos</b>	<b>%</b>
	Ashwinkumar Rasiklal Shah	-	-	-	-	-	-	4,000	40.00%	4,000	40.00%	4,000	40.00%
	Nilamben Ashwinkumar Shah	-	-	-	-	-	-	3,000	30.00%	3,000	30.00%	3,000	30.00%
	Rakshit M Shah	-	-	-	-	6,000	60.00%	3,000	30.00%	3,000	30.00%	3,000	30.00%
	Pinal M Shah	79,556	23.17%	198,445	58.00%	4,000	40.00%	-	-	-	-	-	-
	Aruna M Shah	108,328	31.55%	138,890	40.45%	-	-	-	-	-	-	-	-
	Hitenbhai Shah	25,000	7.28%	-	-	-	-	-	-	-	-	-	-
	As per records of the Company, including its registers of Shareholders / Members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.												
<b>F.</b>	<b>Shares Issued For Consideration In Cash : NIL</b>												
<b>G.</b>	<b>Shares Issued For Consideration Other Than Cash : 3,33,335</b>												
	a. The company has made preferential allotment of 277,780 equity shares of Rs. 10/- each at a premium of Rs. 80/- each on 29.02.2016 against consideration of purchase of goods from the suppliers of Rs.2.50 crs.												
	b. The company has made preferential allotment of 55,555 equity shares of Rs. 10/- each at a premium of Rs. 80/- each on 31.03.2016 against consideration of unsecured loan of Rs.50.00 lakhs.												

**NOTE 2 – STATEMENT OF RESERVES & SURPLUS**

(Rupees in Lakhs)

2	Particulars	For the Period Ended June 30, 2016	For the year ended March 31,				
			2016	2015	2014	2013	2012
<b>A</b>	<b>GENERAL RESERVE</b>						
	At The Beginning Of The Accounting Period	-	-	-	-	-	-
	Additions During The Year	-	-	-	-	-	-
	At The End Of The Accounting Period	-	-	-	-	-	-
<b>B</b>	<b>SECURITIES PREMIUM ACCOUNT</b>						
	At The Beginning Of The Accounting Period	266.67	-	-	-	-	-
	Utilised During The Year (Bonus Issue)	-	-	-	-	-	-
	Additions During The Year	-	266.67	-	-	-	-
	At the end of the Accounting Period	266.67	266.67	0.00	0.00	0.00	0.00
<b>C</b>	<b>SURPLUS</b>						
	At the beginning of the Accounting Period	7.28	0.46	0.16	(0.18)	(0.22)	-
	Adjustment For Depreciation	-	-	0.08	-	-	-
	Additions During The Year (Balance In Statement Of Profit & Loss A/C)	27.67	6.82	0.23	0.34	0.03	(0.22)
	Allocations And Appropriations	-	-	-	-	-	-
	Dividend	-	-	-	-	-	-
	Tax On Dividend	-	-	-	-	-	-
	Transfer To/From Reserves	-	-	-	-	-	-
	At the end of the Accounting Period	34.96	7.28	0.46	0.16	(0.18)	(0.22)
	<b>GRAND TOTAL</b>	<b>301.63</b>	<b>273.95</b>	<b>0.46</b>	<b>0.16</b>	<b>(0.18)</b>	<b>(0.22)</b>

**NOTE 3 – STATEMENT OF LONG TERM BORROWINGS**

(Rupees in Lakhs)

3	Particulars	For the Period Ended June 30, 2016	For the year ended March 31,				
			2016	2015	2014	2013	2012
<b>A</b>	<b><u>Non Current Portion</u></b>						
	<b>Secured Term Loans</b>	-	-	-	-	-	-
<b>B</b>	<b>Unsecured Long Term Borrowings</b>						
	Rakshit M Shah	0.41	0.26	1.54	0.02	-	-
	Pinal R. Shah (Unsecured loans from Directors are interest free loan and as per terms and conditions it is repayable on demand)	45.22	10.37	5.70	-	-	-
	<b>TOTAL</b>	<b>45.63</b>	<b>10.63</b>	<b>7.24</b>	<b>0.02</b>	<b>-</b>	<b>-</b>

**NOTE 4 - STATEMENT OF DEFERRED TAX LIABILITIES**

(Rupees in Lakhs)

4	Particulars	For the Period Ended June 30, 2016	For the year ended March 31,				
			2016	2015	2014	2013	2012
	<b>Deferred Tax Liabilities</b>						
	Fixed Assets	-	-	-	-	-	-
	Preliminary Expenses	-	-	-	-	-	-
	Unabsorbed depreciation	-	-	-	-	-	-
	<b>TOTAL</b>	-	-	-	-	-	-

**NOTE 5 - STATEMENT OF SHORT TERM BORROWINGS**

(Rupees in Lakhs)

5	Particulars	For the Period Ended June 30, 2016	For the year ended March 31,				
			2016	2015	2014	2013	2012
A	<b>Secured Loan</b>	-	-	-	-	-	-
B	<b>Unsecured Loans</b>	-	-	-	-	-	-
	From Director	-	-	-	-	-	-
	From Others	-	-	-	-	-	-
	From Promoters, Group Companies, Associates & Subsidiaries	-	-	-	-	-	-
	<b>TOTAL</b>	-	-	-	-	-	-

**NOTE 6 - STATEMENT OF TRADE PAYABLES**

(Rupees in Lakhs)

6	Particulars	For the Period Ended June 30, 2016	For the year ended March 31,				
			2016	2015	2014	2013	2012
	Due to Others	32.95	-	-	-	-	-
	<b>TOTAL</b>	<b>32.95</b>	-	-	-	-	-

**NOTE 7 - STATEMENT OF OTHER CURRENT LIABILITIES**
**(Rupees in Lakhs)**

7	Particulars	For the Period Ended June 30, 2016	For the year ended March 31,				
			2016	2015	2014	2013	2012
	Audit Fees Payable	0.08	0.08	0.05	0.05	-	-
	Salary Payable	-	-	0.20	0.20	-	-
	Liabilities for Expenses	-	-	3.90	2.88	-	-
	<b>TOTAL</b>	<b>0.08</b>	<b>0.08</b>	<b>4.15</b>	<b>3.15</b>	<b>-</b>	<b>-</b>

**NOTE 8 - STATEMENT OF SHORT TERM PROVISIONS**
**(Rupees in Lakhs)**

8	Particulars	For the Period Ended June 30, 2016	For the year ended March 31,				
			2016	2015	2014	2013	2012
	Provisions for Taxation (Net off advance tax and provision)	15.79	3.41	0.11	0.28	0.02	-
	<b>TOTAL</b>	<b>15.79</b>	<b>3.41</b>	<b>0.11</b>	<b>0.28</b>	<b>0.02</b>	<b>-</b>

NOTE 9 - STATEMENT OF FIXED ASSETS

FIXED ASSETS AND DEPRECIATION FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2016

(Rupees in Lakhs)

Particulars	Life	GROSS BLOCK (AT COST)			DEPRECIATION			SALE/ ADJ.	NET BLOCK	
		AS AT 31.03.2016	ADDITION DURING THE YEAR	TOTAL COST 30.06.2016	UPTO 31.03.2016	FOR THE YEAR	TOTAL 30.06.2016		AS AT 30.06.2016	AS AT 31.03.2016
Computer	3	1.24	-	1.24	0.55	-	0.55	-	0.69	0.69
Music System	10	-	-	-	-	-	-	-	-	-
		3.02	-	3.02	0.75	-	0.75	-	2.27	2.27
<b>Total</b>		<b>4.26</b>	<b>-</b>	<b>4.26</b>	<b>1.30</b>	<b>-</b>	<b>1.30</b>	<b>-</b>	<b>2.95</b>	<b>2.95</b>

**FIXED ASSETS AND DEPRECIATION FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

(Amount in Lakhs)

PARTICULARS	Life	GROSS BLOCK (AT COST)			DEPRECIATION			SALE/ ADJ.	NET BLOCK	
		AS AT 31.03.2015	ADDITION DURING THE YEAR	TOTAL COST 31.03.2016	UPTO 31.03.2015	FOR THE YEAR	TOTAL 31.03.2016		AS AT 31.03.2016	AS AT 31.03.2015
Computer	3	0.60	0.64	1.24	0.30	0.25	0.55	-	0.69	0.30
Music System	10	3.02	-	3.02	0.45	0.30	0.75	-	2.27	2.57
<b>Total</b>		<b>3.62</b>	<b>0.64</b>	<b>4.26</b>	<b>0.75</b>	<b>0.55</b>	<b>1.30</b>	<b>-</b>	<b>2.95</b>	<b>2.87</b>

**FIXED ASSETS AND DEPRECIATION FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

(Amount in Lakhs)

PARTICULARS	Life	GROSS BLOCK (AT COST)			DEPRECIATION			SALE/ ADJ.	NET BLOCK	
		AS AT 31.03.2014	ADDITION DURING THE YEAR	TOTAL COST 31.03.2015	UPTO 31.03.2014	FOR THE YEAR	TOTAL 31.03.2015		AS AT 31.03.2015	AS AT 31.03.2014
Computer	3	0.60	-	0.60	0.12	0.20	0.32	0.02	0.30	0.48
Music System	10	3.02	-	3.02	0.21	0.30	0.51	- 0.06	2.57	2.81
<b>Total</b>		<b>3.62</b>	<b>-</b>	<b>3.62</b>	<b>0.33</b>	<b>0.50</b>	<b>0.83</b>	<b>0.08</b>	<b>2.87</b>	<b>3.29</b>

**FIXED ASSETS AND DEPRECIATION FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

(Amount in Lakhs)

PARTICULARS	RATE OF DEP	GROSS BLOCK (AT COST)			NO.OF DAYS	DEPRECIATION			SALE/ ADJ.	NET BLOCK	
		AS AT 31.03.2013	ADDITION DURING THE YEAR	TOTAL COST 31.03.2014		UPTO 31.03.2013	FOR THE YEAR	TOTAL 31.03.2014		AS AT 31.03.2014	AS AT 31.03.2013
Computer	40.00%	-	0.60	0.60	182	-	0.12	0.12	-	0.48	-
Music System	13.91%	-	3.02	3.02	182	-	0.21	0.21	-	2.81	-
<b>Total</b>		-	3.62	3.62		-	0.33	0.33		3.29	-

**NOTE 10 - STATEMENT OF LONG TERM LOANS AND ADVANCES**

(Rupees in Lakhs)

10	Particulars	For the Period Ended June 30, 2016	For the year ended March 31,				
			2016	2015	2014	2013	2012
	(Unsecured considered good unless otherwise stated)						
A.	<b>Security Deposits</b>						
	Rent Deposits	0.25	-	-	-	-	-
	VAT Deposits	0.10	0.10	-	-	-	-
	<b>TOTAL</b>	<b>0.35</b>	<b>0.10</b>	-	-	-	-

**NOTE 11 - STATEMENT OF OTHER NON CURRENT ASSETS**

(Rupees in Lakhs)

11	Particulars	For the Period Ended June 30, 2016	For the year ended March 31,				
			2016	2015	2014	2013	2012
A.	<b>Pre Operating Expenditure</b> (To the extent not written off or adjusted)	-	-	-	-	-	-
	Less: Capitalized during the Year	-	-	-	-	-	-
	<b>TOTAL (A)</b>	-	-	-	-	-	-
B.	<b>Preliminary Expenses</b>						
	Opening Balance/Addition	-	-	-	-	-	-
	Less: Written off during the year	-	-	-	-	-	-
	<b>TOTAL (B)</b>	-	-	-	-	-	-
	<b>Total (A+B)</b>	-	-	-	-	-	-

**NOTE 12 - STATEMENT OF CURRENT INVESTMENTS**

(Rupees in Lakhs, except share data)

Particulars	For the Period Ended June 30, 2016		For the year ended March 31,									
			2016		2015		2014		2013		2012	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Quoted	-	-	-	-	-	-	-	-	-	-	-	-
Unquoted	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-	-	-	-

Aggregate value of Quoted Investment	-	-	-	-	-	-	-	-	-	-	-	-
Aggregate value of Unquoted Investment	-	-	-	-	-	-	-	-	-	-	-	-

**NOTE 13 - STATEMENT OF INVENTORIES**

(Rupees in Lakhs)

13	Particulars	For the Period Ended June 30, 2016	For the year ended March 31,				
			2016	2015	2014	2013	2012
A.	<u>(As taken, Valued &amp; Certified by the Management)</u> Stock in Trade (in respect of goods acquired for trading ); Others Goods-in-Transit	258.58 - -	215.18 - -	- - -	- - -	- - -	- - -
	<b>TOTAL</b>	<b>258.58</b>	<b>215.18</b>	-	-	-	-

**NOTE 14 - STATEMENT OF TRADE RECEIVABLES**

(Rupees in Lakhs)

14	Particulars	For the Period Ended June 30, 2016	For the year ended March 31,				
			2016	2015	2014	2013	2012
	<b>(Unsecured considered good unless otherwise stated)</b>	-	-	-	-	-	-
A.	Debts outstanding for a period exceeding six months from the date they are due	-	-	-	-	-	-
B.	Debts outstanding for a period less than six months from the date they are due	111.80	70.57	-	2.00	-	-
	<b>TOTAL</b>	<b>111.80</b>	<b>70.57</b>	-	<b>2.00</b>	-	-

**NOTE 15 - STATEMENT OF CASH & CASH EQUIVALENTS**

(Rupees in Lakhs)

15	Particulars	For the Period Ended June 30, 2016	For the year ended March 31,				
			2016	2015	2014	2013	2012
A.	<b>Balance with Banks</b>						
	<u>In Fixed Deposits</u>						
	Fixed Deposit with Bank	13.80	13.80	13.80	-	-	-
	<u>In Current Accounts</u>						
	Central Bank of India - Mithakali Branch	0.23	3.05	0.10	3.10	-	-
B.	Cash in Hand	14.94	0.26	0.06	0.18	0.83	0.78
	<b>TOTAL</b>	<b>28.97</b>	<b>17.11</b>	<b>13.96</b>	<b>3.28</b>	<b>0.83</b>	<b>0.78</b>

**NOTE 16 - STATEMENT OF SHORT TERM LOANS & ADVANCES**

(Rupees in Lakhs)

16	Particulars	For the Period Ended June 30, 2016	For the year ended March 31,				
			2016	2015	2014	2013	2012
A.	(Unsecured considered good unless otherwise stated) Advances recoverable in cash or in kind for the value to be received						
	To Director	-	-	-	-	-	-
	To Others	22.50	15.24	-	-	-	-
	To Promoters, Group Companies, Associates, Subsidiaries	-	-	-	-	-	-
B.	Receivable from Revenue Authorities						-
	VAT Input	-	-	-	-	-	-
	Tax Deducted at Source	0.15	0.15	0.08	-	-	-
<b>TOTAL (A+B)</b>		<b>22.65</b>	<b>15.38</b>	<b>0.08</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTE 17 - STATEMENT OF OTHER CURRENT ASSETS**

(Rupees in Lakhs)

17	Particulars	For the Period Ended June 30, 2016	For the year ended March 31,				
			2016	2015	2014	2013	2012
	Accrued Interest on Fixed Deposit	1.10	1.10	0.54	-	-	-
<b>TOTAL</b>		<b>1.10</b>	<b>1.10</b>	<b>0.54</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTE 18 - STATEMENT OF MISC. EXPENSES**

(Rupees in Lakhs)

18	Particulars	For the Period Ended June 30, 2016	For the year ended March 31,				
			2016	2015	2014	2013	2012
	Misc Expenses	4.00	-	-	-	-	-
<b>TOTAL</b>		<b>4.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTE 19 - STATEMENT OF REVENUE FROM OPERATIONS**

(Rupees in Lakhs)

19	Particulars	For the Period Ended June 30, 2016	For the year ended March 31,				
			2016	2015	2014	2013	2012
A.	Revenue from Operations	-	-	-	-	-	-
B.	Sales						-
	Sale of Traded Goods (Gold-Silver Ornaments)	199.51	137.24	-	-	-	-
	Sale of Services	-	7.91	4.35	7.39	0.09	-
<b>TOTAL (A+B)</b>		<b>199.51</b>	<b>145.15</b>	<b>4.35</b>	<b>7.39</b>	<b>0.09</b>	<b>-</b>

**NOTE 20- STATEMENT OF OTHER INCOME**

(Rupees in Lakhs)

20	Particulars	For the Period Ended June 30, 2016	For the year ended March 31,				
			2016	2015	2014	2013	2012
	Interest on Fixed Deposit	0.12	1.32	0.76	-	-	-
	Other Interest	-	0.47	-	-	-	-
<b>TOTAL</b>		<b>0.12</b>	<b>1.79</b>	<b>0.76</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note: All items of Other Income are non-recurring in nature except Interest on Fixed Deposits and all are not related to the business

**NOTE 21 - STATEMENT OF COST OF OPERATIONS**

(Rupees in Lakhs)

21	Particulars	For the Period Ended June 30, 2016	For the year ended March 31,				
			2016	2015	2014	2013	2012
	Purchases	200.50	345.92	-	-	-	-
	Repair & Maintenance	-	-	-	0.04	-	-
	Rent	0.36	0.66	0.66	-	-	-
<b>TOTAL</b>		<b>200.86</b>	<b>346.58</b>	<b>0.66</b>	<b>0.04</b>	<b>-</b>	<b>-</b>

**NOTE 22 - STATEMENT OF EMPLOYEE BENEFITS EXPENSE**

(Rupees in Lakhs)

22	Particulars	For the Period Ended June 30, 2016	For the year ended March 31,				
			2016	2015	2014	2013	2012
	Salaries & Bonus	1.34	1.74	-	1.20	-	-
	Directors Remuneration	0.30	1.20	1.80	-	-	-
	<b>TOTAL</b>	<b>1.64</b>	<b>2.94</b>	<b>1.80</b>	<b>1.20</b>	<b>-</b>	<b>-</b>

**NOTE 23 - STATEMENT OF FINANCIAL COSTS**

(Rupees in Lakhs)

23	Particulars	For the Period Ended June 30, 2016	For the year ended March 31,				
			2016	2015	2014	2013	2012
	<u>Interest Expense</u>						
	Bank Charges	0.01	-	-	-	-	-
	Interest Paid	-	-	-	-	-	-
	<b>TOTAL</b>	<b>0.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTE 24 - STATEMENT OF DEPRECIATION AND AMORTZATION EXPENSE**

(Rupees in Lakhs)

24	Particulars	For the Period Ended June 30, 2016	For the year ended March 31,				
			2016	2015	2014	2013	2012
	Depreciation	-	0.55	0.50	0.33	-	-
	<b>TOTAL</b>	<b>-</b>	<b>0.55</b>	<b>0.50</b>	<b>0.33</b>	<b>-</b>	<b>-</b>

**NOTE 25 - STATEMENT OF OTHER EXPENSES**
**(Rupees in Lakhs)**

25	Particulars	For the Period Ended June 30, 2016	For the year ended March 31,				
			2016	2015	2014	2013	2012
	Advertisement	-	-	-	0.05	-	-
	Payment to Auditor	-	0.08	-	0.05	-	-
	Shop Expense	0.14	0.53	1.40	-	-	-
	Filing Fees	-	-	-	-	0.01	-
	General Expenses	-	-	-	-	-	-
	Business Expenses	-	-	-	3.08	-	-
	Office Expense	-	-	-	0.93	-	-
	Labour Expenses	0.20	0.71	-	-	-	-
	Professional Charges	-	-	-	0.15	-	-
	Telephone Expenses	-	-	-	0.05	-	-
	Travelling & Conveyance	0.12	0.54	0.42	0.90	-	-
	Pre Incorporation Expense	-	-	-	-	-	0.22
	<b>TOTAL</b>	<b>0.47</b>	<b>1.85</b>	<b>1.82</b>	<b>5.22</b>	<b>0.05</b>	<b>0.22</b>

**NOTE 26 - STATEMENT OF EARNINGS PER SHARE (EPS)**
**(Rupees in Lakhs, except share data)**

26	Particulars	For the Period Ended June 30, 2016	For the year ended March 31,				
			2016	2015	2014	2013	2012
	Net Profit After Taxation	27.67	6.82	0.23	0.34	0.03	(0.22)
	No. of Equity Shares	3,43,335	3,43,335	10,000	10,000	10,000	10,000
	Weighted average number of Equity Shares	3,43,335	34,287	10,000	10,000	10,000	10,000
	Add: Dilutive Potential Equity Shares	-	-	-	-	-	-
	No. of Equity Shares for Dilutive EPS	3,43,335	34,287	10,000	10,000	10,000	10,000
	Weighted average number of Equity Shares after giving effect of bonus shares	-	-	-	-	-	-
	Nominal Value of Shares (in Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
	Basic Earnings Per Share (in Rs.)	8.06	19.89	2.27	3.43	0.31	(2.16)
	Diluted Earnings Per Share (in Rs.)	8.06	19.89	2.27	3.43	0.31	(2.16)
	Basic Earnings Per Share (in Rs.) after giving bonus effect	-	-	-	-	-	-
	Diluted Earnings Per Share (in Rs.) after giving bonus effect	-	-	-	-	-	-

**ANNEXURE - V - STATEMENT OF SIGNIFICANT ACCOUNTING RATIOS AS RESTATED**

(Rupees in Lakhs, except share data)

PARTICULARS	For the Period Ended June 30, 2016	For the Year ended March 31,				
		2016	2015	2014	2013	2012
Restated PAT as per P&L Account	27.67	6.82	0.23	0.34	0.03	(0.22)
Weighted Average Number of Equity Shares at the end of the Year	343,335	34,287	10,000	10,000	10,000	10,000
Weighted Average Number of Equity Shares at the end of the Year after considering the effect of Bonus	-	-	-	-	-	-
No. of shares outstanding at the end of the year	343,335	343,335	10,000	10,000	10,000	10,000
Number of Equity Shares at the end of the Year after considering the effect of Bonus	-	-	-	-	-	-
Net Worth	331.96	308.29	1.46	1.16	0.82	0.78
<b>Earnings Per Share</b>						
Basic & Diluted (Rs.)	0.00	0.00	0.00	0.00	0.00	(0.00)
Basic & Diluted (Rs.) after considering the effect of Bonus	-	-	-	-	-	-
Return on Net Worth (%)	0.08	0.02	0.15	0.30	0.04	(0.28)
Net Asset Value Per Share (Rs.)	96.69	89.79	14.64	11.58	8.15	7.84
Nominal Value per Equity share (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00

Ratios have been calculated as below

Basic and Diluted Earnings Per Share (EPS) (Rs.) =	$\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Weighted Average Number of Equity Shares at the end of the year}}$
Return on Net Worth (%) =	$\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Restated Net Worth of Equity Shareholders}}$
Net Asset Value per equity share (Rs.) =	$\frac{\text{Restated Net Worth of Equity Shareholders}}{\text{Number of Equity Shares outstanding at the end of the year}}$

**ANNEXURE - VI - STATEMENT OF CAPITALISATION AS AT JUNE 30, 2016**
**(Rupees in Lakhs)**

Particulars	Pre Issue	Post Issue
<b>Borrowings</b>		
Short term debt (A)	-	-
Long Term Debt (B)	45.62	45.62
<b>Total debts (C)</b>	<b>45.62</b>	<b>45.62</b>
<b>Shareholders' funds</b>		
Equity share capital	34.33	431.00
Reserve and surplus - as restated	301.63	491.31
Less: Misc Expenses	4.00	4.00
<b>Total shareholders' funds</b>	<b>331.96</b>	<b>918.31</b>
<b>Long term debt / shareholders funds</b>	0.14	0.05
<b>Total debt / shareholders funds</b>	0.14	0.05

**Notes:**

Since 30th June 2016 the share capital of the company has been increased from Rs.34,33,350/- to Rs.3,09,00,150/- by the issue of Bonus shares on 20.07.2016 in the ratio of 8 Equity Shares for every 1 equity shares

Further on 1st August 2016 the share capital of the company has been increased from Rs.3,09,00,150/- to Rs.3,17,30,150/- by issue of 83,000 equity shares of Rs.10/- each at a premium of Rs.80/- per share for consideration other than cash i.e. against conversion of unsecured loan into equity.

**ANNEXURE - VII - STATEMENT OF TAX SHELTERS**

(Rupees in Lakhs)

Particulars	For the Period Ended June 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
Restated Profit before tax as per books (A)	40.05	10.20	0.33	0.61	0.05	(0.22)
<b>Tax Rates</b>						
Income Tax Rate (%)	30.90%	30.90%	30.90%	30.90%	30.90%	30.90%
Minimum Alternate Tax Rate (%)	19.06%	19.06%	19.06%	19.06%	19.06%	19.06%
<b>Adjustments :</b>						
Income considered separately	(0.12)	(1.79)	(0.76)	-	-	-
Total Income considered separately (B)	(0.12)	(1.79)	(0.76)	-	-	-
<b>Timing Differences (C)</b>						
Book Depreciation	-	0.55	0.50	0.33	-	-
Income Tax Depreciation Allowance	-	0.55	0.54	0.33	-	-
Effects of Other Allowance/Disallowance	-	-	-	-	-	-
Total Timing Differences (C)	-	0.00	(0.04)	(0.00)	-	-
Net Adjustments D = (B+C)	(0.12)	(1.79)	(0.80)	(0.00)	-	-
Tax expense / (saving) thereon	(0.04)	(0.55)	(0.25)	(0.00)	-	-
Income from Capital Gains (E)	-	-	-	-	-	-
<b>Income from Other Sources</b>						
Interest Income	0.12	1.79	0.76	-	-	-
Total Income from Other Sources (F)	0.12	1.79	0.76	-	-	-
Unabsorbed Depreciation/ Business Loss of P.Y. Brought Forward & Adjusted (G)	-	-	-	-	-	-
Expenses disallowed/ Other Disallowances under the Income Tax Act (H)	-	-	-	-	-	-
Taxable Income/(Loss) (A+D+E+F+G+H)	40.05	10.20	0.29	0.61	0.05	(0.22)
Income Tax on above	12.38	3.39	0.09	0.26	0.02	-
MAT on Book Profit	7.63	1.94	0.06	0.12	0.01	-
Tax paid as per normal or MAT	Normal	Normal	Normal	Normal	Normal	NA

**ANNEXURE - VIII - STATEMENT OF OTHER INCOME AS RESTATED**
**(Rupees in Lakhs)**

Particulars	For the Period Ended June 30, 2016	For the Year Ended March 31,				
		2016	2015	2014	2013	2012
Other income	0.12	1.79	0.76	-	-	-
Net Profit Before Tax as Restated	40.05	10.20	0.33	0.61	0.05	(0.22)
<b>Percentage (%)</b>	<b>0.31%</b>	<b>17.55%</b>	<b>232.13%</b>	-	-	-

**Source of Income**

Particulars	For the Period Ended June 30, 2016	For the Year Ended March 31,					Nature
		2016	2015	2014	2013	2012	
Interest on Fixed Deposit	0.12	1.32	0.76	-	-	-	Recurring and not related to business activity.
Interest on Loan	-	0.47	-	-	-	-	Non recurring and not related to business activity.
<b>Total Other income</b>	<b>0.12</b>	<b>1.79</b>	<b>0.76</b>	-	-	-	

**ANNEXURE - IX -RECONCILIATION OF RESTATED PROFIT**
**(Rupees in Lakhs)**

Adjustments for	30.06.2016	2015-16	2014-15	2013-14	2012-13	2011-12
Net Profit/ (Loss) after Tax as per Audited Profit & Loss Account	28.05	8.18	0.25	0.61	0.05	(0.22)
<b>Adjustments for:</b>						
Changes in depreciation	-	0.02	0.08	-	-	-
Deferred Tax Liability / Asset Adjustment	-	(0.01)	0.01	0.00	-	-
Taxes adjusted in Current period	0.38	1.39	0.09	0.26	0.02	-
<b>Net Profit/ (Loss) After Tax as Restated</b>	<b>27.67</b>	<b>6.82</b>	<b>0.23</b>	<b>0.34</b>	<b>0.03</b>	<b>(0.22)</b>

Explanatory notes to the above restatements made in the audited financial statements of the Company for the respective years/ period.

**Adjustments having impact on Profit**

Depreciation for period from FY 2014-2015 has been recalculated in accordance with SLM method on the useful lives in the manner specified in Schedule II to the Companies Act, 2013.

Deferred tax is calculated in the restated accounts on account of difference of depreciation as per Companies Act and Income Tax Act. Further deferred tax has also been considered on business loss as per Income Tax.

Income tax has been adjusted based on the restated profits.

**Adjustments having no impact on Profit:**
**Material Regrouping**

Appropriate adjustments have been made in the restated financial statements, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financials of the Company for all the years and the requirements of the SEBI (ICDR) Regulations, 2009.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Prospectus. You should also read the section entitled "Risk Factors" beginning on page 13, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion 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.*

*The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Financial Statements as of and for the fiscal years ended March 31, 2012, 2013, 2014, 2015, 2016 and 3 months ending June 30, 2016 prepared in accordance with the Companies Act, 1956 and Companies Act, 2013 to the extent applicable and Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in the section titled "Summary of Financial Information" on page no. 50 of this Draft Prospectus. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year/financial year are to the twelve-month period ended on March 31 of that year. The forward-looking statements contained in this discussion and analysis is subject to a variety of factors that could cause actual results to differ materially from those contemplated by such statements.*

### **Business Overview**

Our Company was originally incorporated on April 15, 2011 as 'Veeram T.V Network Private Limited' under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Ahmedabad (the "RoC"). The name of our Company was changed from Veeram T.V Network Private Limited to Veeram Spiritual Energies Private Limited and fresh certificate of incorporation consequent upon change of name was issued by the RoC on February 26, 2014. Subsequently the name of our Company was changed from Veeram Spiritual Energies Private limited to Veeram Ornaments Private Limited and fresh certificate of incorporation consequent upon change of name was issued by the RoC on June 10, 2014. Our Company was converted into a public limited company pursuant to a special resolution passed by our shareholders at the EGM held on June 24, 2016 and the name of our Company was changed to Veeram Ornaments Ltd. A fresh certificate of incorporation was issued by the RoC on July 26, 2016.

We are integrated as a Wholesaler of branded Jewellery & Ornaments. Apart from being a wholesaler, we are also into trading business of silver and distributor of readymade gold & silver Jewellery & Ornaments. Our portfolio of products includes gold and silver jewellery with or without studded precious and semi-precious stones. Our Jewellery and ornaments are designed keeping in mind the demand for the Traditional, Modern & Indo-Western jewellery & ornaments in India. With regional diversity of tastes and preferences, we have diverse portfolio of Ornaments and Jewellery to suit the taste and preferences of one & all. Our gold & silver traditional jewelries & ornaments are either made with kundan, gem stones, American diamonds etc or just plain gold or silver.

We source our raw materials from Rajkot & local markets in Ahmedabad. Raw Silver and Raw gold is generally purchased from the bullion market which is then designed and molded into gold and silver traditional & modern jewellery. Other raw material like kundan, gems stones, American diamonds etc is purchased from our suppliers.

Most of our jewelries are designed in a traditional manner as the demand for traditional jewellery is very high in the local markets of Ahmedabad and nearby localities. The design & pattern for our jewelries & ornaments is provided by us to the job workers who manufacture our products accordingly. We outsource our jewellery making only to those job workers who provide us with the quality certificate on our jewellery & ornaments. We sell only quality certified jewellery & ornaments to our clients.

## OUR COMPETITIVE STRENGTH

### *Well established systems and procedures*

We have well established systems and procedures for staffing and the implementation of current and long term objectives.

### *Experience of our Promoter*

Our Promoter Mrs. Pinalben Rakshitbhai Shah come with jewellery business background and is well versed in designing and distribution of jewellery & ornaments. She possess more than 10 years of experience in the functioning and management of Jewellery covering all aspects.

### *Experienced management team and a motivated & efficient work force*

Our Company is managed by a team of experienced and professional personnel with experience in different aspects of jewellery and ornaments industry. They have an in-depth knowledge of the polishing and designing of jewellery, distribution, marketing and finance. We believe that our qualified and experienced management has substantially contributed to the growth of our business operations. The faith of the management in the staff and their dedicated performance has enabled us to build up capabilities to operate in Ahmedabad.

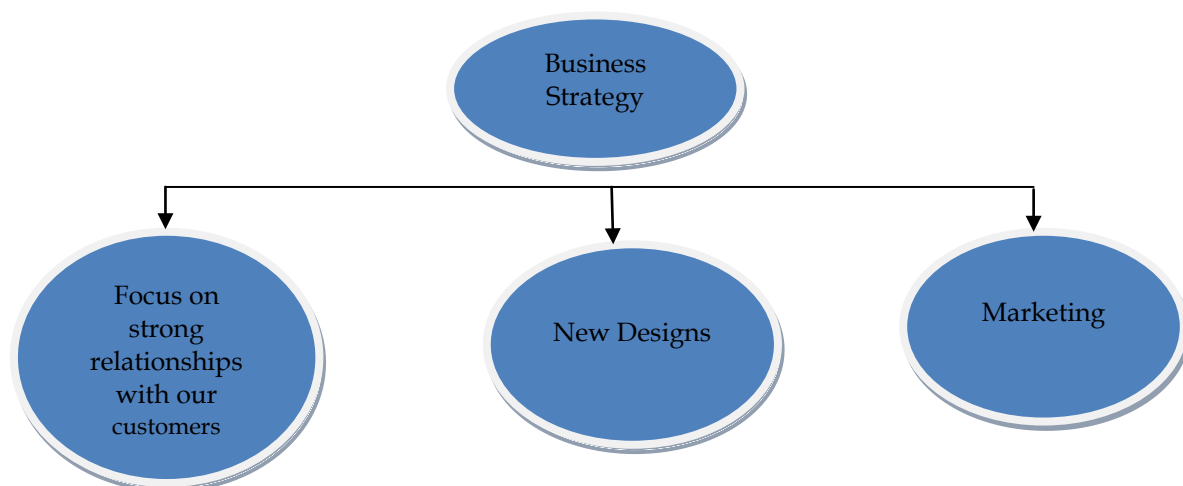
### *Wide Varieties of our products*

Our product portfolio consists of wide range of products which differentiate us from other companies. We have product portfolio which covers Traditional, Modern & Indo-Western Jewellery and Ornaments for all types of age & gender.

### *Integrated player with domain knowledge:*

We are integrated player with comprehensive knowledge about jewellery industry. Our understanding of the industry helps us in assessing market opportunities and positioning ourselves accordingly. Since our business is seasonal in nature, we believe forecasting market trends is a significant advantage for our business

## OUR BUSINESS STRATEGY



### *Adding New Designs*

As jewellery business is seasonal in nature, for each season new designs of jewellery are introduced. However, at the end of each season our customers are left with certain amount of jewellery, which gradually converts into slow moving jewellery. We propose to invest in upgrading our existing units to ensure quality products. The scale of our operations and our experience in the business shall enable us to enhance the quality of our products. This will assist to compete with the organized players.

*Increase Sales through innovative customer - oriented Marketing initiatives.*

We follow structured approach for our product development which involves market research, sales analysis and brand development. Our marketing includes participation in trade fairs and jewellery exhibitions.

Apart from the above strategies, our other business strategy includes:-

- Sell more to our existing customers;
- Attract new customers through increased investment in promotion and advertisement;
- Keeping in mind the industry trend, we will be introducing newer, better designs & patterns for our jewellery & ornament;
- Provide an outstanding level of customer service;
- Enhance strong leadership practices at every level of the organization;
- Performance of both individuals and departments (or regions) is directly linked to the growth strategy and successful execution;

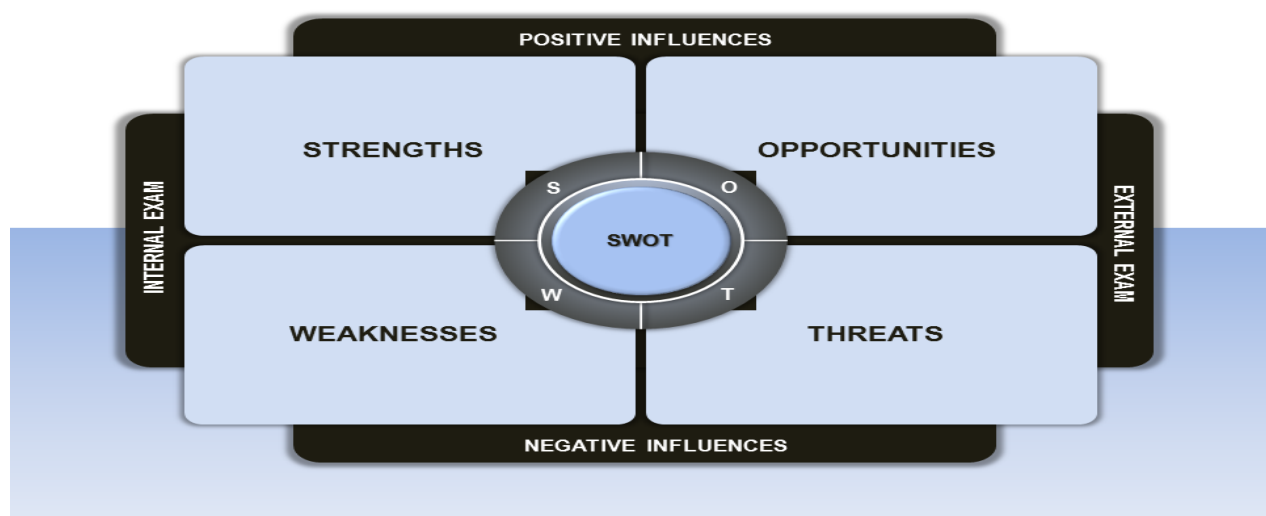
### OUR MARKETING STRATEGY

In order to exploit the double digit growth in jewellery and ornaments industry , the company has aggressive plans to expand it network in Ahmedabad . Being a wholesaler in jewellery industry, our primary factors considered in marketing would be determining retailers buying decisions including creating customer confidence by providing them quality products as per their needs and requirement , offering price points for our products , timely and reliable delivery of or products together with the level and quality of customer service.This shall be achieved in particularly by appointing new Distributors / Dealers, and C & F agents, establishing warehouses and depots in larger towns in Gujarat. Our sales executives will serve each distributor / dealer. The company will put a great thrust on existing & newer customers by directly marketing its products to them by giving them reliable delivery and quality.The marketing strategy of the company is the combination of direct marketing, using the existing distribution network and sales force. Conversation with customers on an individual basis, educating them guiding them on the company's products all the year round is a part of the strategy . We support our marketing efforts with the activities at the grass root level through field work by maintaining regular contacts and meetings.

### COMPETITION

Jewellery industry is highly competitive industry. Competition in this industry is based mainly on the quality, design , availability and pricing. We continuously takes measure to reduce our procurement, production and distribution costs and improve our operational efficiencies.

### SWOT ANALYSIS OF THE COMPANY



<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• Sound experience of Promoters</li> <li>• Availability of Low cost and skilled technical and professional Manpower provides competitive advantage to Company.</li> <li>• Unique designs.</li> <li>• The flexibility to provide customized pieces.</li> <li>• A comprehensive distribution network from a robust website.</li> </ul>	<p><b>WEAKNESS</b></p> <ul style="list-style-type: none"> <li>• Lower levels of Expenditure in the Research and Development.</li> <li>• Limited budget.</li> <li>• The struggle to constantly create new designs</li> <li>• The possible inability to meet demand due to the small size of the company.</li> </ul>
<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• A growing market that is unaware of contemporary Ti Design's products.</li> <li>• The injection of fresh , creative designs in a somewhat stagnant industry.</li> </ul>	<p><b>THREATS</b></p> <ul style="list-style-type: none"> <li>• Intense competition from the old and well situated competitors.</li> <li>• High entry cost in the newer markets.</li> <li>• Artistic copycats that enter the market and mimic Steve's designs.</li> <li>• A slowdown of the economy that will have a reduction on individual's discretionary income.</li> </ul>

#### **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR:**

In the opinion of the Board of Directors of our Company, there have not arisen any circumstances since the date of the last financial statements disclosed in this Draft Prospectus that materially or adversely affect the operations or profitability of the Company or the Value of its assets or its ability to pay its liability within next twelve months except below changes occurred after Balance Sheet date:-

1. Increase in Authorised Share Capital Rs. 1,00,000/- divided into 10,000 Equity Shares of Rs. 10/- each to Rs.11,00,000/- divided into 1,10,000 Equity Shares of Rs. 10/-.
2. Increase in Authorised Share Capital Rs. 11,00,000/- divided into 1,10,000 Equity Shares of Rs. 10/- each to Rs.50,00,000/- divided into 5,00,000 Equity Shares of Rs. 10/-.
3. Change of name of the Company from "Veeram Spiritual Energies Private Limited" to "Veeram Ornaments Private Limited".
4. Change of Main Object of the Company to carry on the trades or business of manufacturing, making, buying, selling, importing, exporting and dealing in ornaments and jewellerys of all kinds whether of Gold, Silver, Platinum, rolled gold and other metals and alloys, precious stones like diamonds, rubies, emeralds, pearls any other substances and to establish and maintain factories and workshops for manufacturing and making such ornaments and jewellerys and other articles.
5. Conversion of Company from Private Limited to Public Limited and consequent change in the name from "Veeram Ornaments Private Limited" to "Veeram Ornaments Limited".
6. Increase in Authorised Share Capital Rs. 50,00,000/- divided into 5,00,000 Equity Shares of Rs. 10/- each to Rs.3,00,00,000/- divided into 30,00,000 Equity Shares of Rs. 10/-.
7. Increase in Authorised Share Capital from Rs.3,00,00,000/- divided into 30,00,000 Equity Shares of Rs. 10/- each to Rs.4,14,00,000/- divided into 41,40,000 Equity Shares of Rs. 10/-.
8. Increase in Authorised Share Capital from Rs.4,14,00,000/- divided into 41,40,000 Equity Shares of Rs. 10/- each to Rs.4,25,00,000/- divided into 42,50,000 Equity Shares of Rs. 10/-.
9. The Company allotted 27,46,680 bonus shares in the ratio of 8 equity shares for every 1 equity shares .
10. The Company issued 83000 shares of Rs 90 each by conversion of loan through shareholders on 1st August, 2016.

## FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS

Our results of operations could potentially be affected by the following factors amongst others:

- I. Disruption in our manufacturing facilities.
- II. Failure to comply with regulations prescribed by authorities
- III. Inability to successfully obtain registrations in a timely manner or at all
- IV. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
- V. Changes in laws and regulations relating to the industries in which we operate
- VI. Increased in prices of Raw Material
- VII. Occurrence of Environmental Problems & Uninsured Losses
- VIII. Our ability to successfully implement our growth strategy and expansion plans
- IX. Our ability to meet our capital expenditure requirements
- X. Our ability to attract, retain and manage qualified personnel
- XI. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition
- XII. Occurrence of natural disasters or calamities affecting the areas in which we have operations
- XIII. The performance of the financial markets in India and globally
- XIV. Any adverse outcome in the legal proceedings in which we are involved
- XV. Our ability to expand our geographical area of operation
- XVI. Concentration of ownership among our Promoters

## OUR SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer *Significant Accounting Policies, "Annexure IV"* beginning under Chapter titled "**Financial Statements**" beginning on page 143 of the Draft Prospectus.

## OTHER MATTERS

### 1. Unusual or infrequent events or transactions

Except as described in this Draft Prospectus, during the periods under review there have been no transactions or events, which in our best judgement, would be considered unusual or infrequent.

### 2. Significant economic changes that materially affected or are likely to affect income from continuing operations

Other than as described in the section titled "**Risk Factors**" beginning on page 13 of this Draft Prospectus respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

### 3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations

Other than as described in the section titled "**Risk Factors**" beginning on page 13 of this Draft Prospectus to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

### 4. Future relationship between Costs and Income

Our Company's future costs and revenues will be determined by demand/supply situation, government policies and availability of trained manpower.

### 5. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased prices

Increases in revenues are by and large linked to increases in volume of business activity carried out by the Company.

**6. Total turnover of each major industry segment in which the issuer company operates.**

The Company is operating in construction equipment hire industry. Relevant industry data, as available, has been included in the chapter titled “*Industry Overview*” beginning on page 87 of this Draft Prospectus.

**7. Status of any publicly announced new products or business segments**

Our Company has not announced any new product and segment / scheme, other than through this Draft Prospectus.

**8. The extent to which the business is seasonal**

Our Company business is not seasonal in nature.

**9. Any significant dependence on a single or few suppliers or customers**

Our business is significantly dependent on few customers and suppliers. The following are the % of contribution of our Company’s customer vis a vis the total revenue from operations as March 31, 2016:

Sl. No.	Name of the Customers	% of Contribution
1.	Darshan Orna Ltd.	53.08
2.	S Suwarna Krupa Jewellers	11.15
3.	Alankar Gold	13.51
4.	Ghunghru	13.41

**10. Competitive Conditions**

We face competition from existing and potential competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section “*Business Overview*” on page 105 of this Draft Prospectus.

**RESULTS OF OUR OPERATION**

The following table sets forth select financial data from restated Profit and Loss Accounts for the 3 months ending June 30, 2016 and Financial Year ended on March 31, 2016, 2015, 2014, 2013, 2012 and the components of which are also expressed as a percentage of total income for such periods.

(Rupees in Lakhs)

S. No.	PARTICULARS	Note No.	For the Period Ended June 30, 2016	For the year ended March 31,				
				2016	2015	2014	2013	2012
	<b>REVENUE FROM OPERATIONS</b>							
I	Revenue From Operations	19	199.51	145.15	4.35	7.39	0.09	-
II	Other Income	20	0.12	1.79	0.76	-	-	-
	<b>Total Revenue(I+II)</b>		<b>199.63</b>	<b>146.94</b>	<b>5.11</b>	<b>7.39</b>	<b>0.09</b>	<b>-</b>
III	<b>EXPENSES:</b>							
a	Cost of Operations	21	200.86	346.58	0.66	0.04	-	-
b	Purchase Of Stock-In-Trade							
	Changes In Inventories Of Finished Goods Work-In-progress And Stock-In-Trade		(43.40)	(215.18)	-	-	-	-
C	Employee Benefits Expenses	22	1.64	2.94	1.80	1.20	-	-
D	Finance Costs	23	0.01	-	-	-	-	-
E	Depreciation And Amortization Expense	24	-	0.55	0.50	0.33	-	-
F	Other Expenses	25	0.47	1.85	1.82	5.22	0.05	0.22
	<b>Total Expenses</b>		<b>159.58</b>	<b>136.74</b>	<b>4.78</b>	<b>6.78</b>	<b>0.05</b>	<b>0.22</b>
IV	<b>PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)</b>		<b>40.05</b>	<b>10.20</b>	<b>0.33</b>	<b>0.61</b>	<b>0.05</b>	<b>(0.22)</b>
V	Exceptional Items							
VI	<b>PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V-VI)</b>		<b>40.05</b>	<b>10.20</b>	<b>0.33</b>	<b>0.61</b>	<b>0.05</b>	<b>(0.22)</b>
VII	Extraordinary Items							
VIII	<b>PROFIT BEFORE TAX (VII-VIII)</b>		<b>40.05</b>	<b>10.20</b>	<b>0.33</b>	<b>0.61</b>	<b>0.05</b>	<b>(0.22)</b>
IX	<b>TAX EXPENSE</b>							
	Current Tax		12.38	3.39	0.09	0.26	0.02	-
	Earlier Years Tax		-	-	-	-	-	-
	Deferred Tax		-	(0.01)	0.01	-	-	-
	Mat Credit Entitlement Account		-	-	-	-	-	-
X	<b>PROFIT(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (VII-VIII)</b>		<b>27.67</b>	<b>6.82</b>	<b>0.23</b>	<b>0.34</b>	<b>0.03</b>	<b>(0.22)</b>
XI	<b>PROFIT(LOSS) FROM DISCONTINUING OPERATIONS</b>							
XII	<b>TAX EXPENSE OF DISCONTINUING OPERATIONS</b>							
XIII	<b>PROFIT(LOSS) FROM DISCONTINUING OPERATIONS (AFTER TAX) (XII-XIII)</b>							
XIV	INCOME TAX FOR EARLIER YEARS			-				
XV	<b>PROFIT (LOSS) FOR THE PERIOD (XI+XIV)</b>		<b>27.67</b>	<b>6.82</b>	<b>0.23</b>	<b>0.34</b>	<b>0.03</b>	<b>(0.22)</b>
XVI	<b>EARNING PER EQUITY SHARE</b>							
a	<b>BASIC (in Rupees)</b>	26	<b>8.06</b>	<b>19.89</b>	<b>2.27</b>	<b>3.43</b>	<b>0.31</b>	<b>(2.16)</b>
b	<b>DILUTED (in Rupees)</b>		<b>8.06</b>	<b>19.89</b>	<b>2.27</b>	<b>3.43</b>	<b>0.31</b>	<b>(2.16)</b>

## COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2016 WITH FISCAL 2015

### Revenue from Operations

During the year 2015-16 the total revenue of our company increased to Rs. 145.14 Lakhs as against Rs. 4.35 Lakhs in the year 2014-15, representing an increase of 3236.55% of the total revenue. This increase is majorly due to new business operations i.e. dealing in jewellery and ornaments, undertaken from February 2016 in the financial year 2015-16.

### Total Expenses

The total expenditure for the year 2015-16 increased to Rs.136.74 Lakhs from Rs.4.78 Lakhs an increase of 2760.67% to the previous year. This was due to the cause of increase in these expenses was majorly due to higher scale of operation in the financial year 2015-16

### Cost of Operations

Cost of Operations in terms of value and percentage increased by Rs. 345.91 Lakhs and 52310.60%, from Rs. 0.66 Lakhs in the fiscal year ended March 31, 2015 to Rs.346.57 Lakhs in the fiscal year ended March 31, 2016.

### Employee benefits expenses

The Employee Benefit Expense comprises of salaries, allowances, staff welfare expenses and other benefits to the employees. The said expenses increased to Rs. 2.94 Lakhs during the current year from Rs. 1.80 Lakhs in the previous year 2014-15 i.e. increase of 63.33 % to the previous year. This was also due to increase in business activities.

### Depreciation and Amortization Expense

Depreciation for the year 2015-16 increased to Rs 0.55 Lakhs from Rs. 0.50 Lakhs in the previous year 2014-15 i.e increase of 10%.

### Profit/ (Loss) After Tax

For the year 2015-16 the profit stood at Rs 6.82 Lakhs as against the profit of Rs 0.22 Lakhs for the previous year 2014-15. The cause of increase was majorly due to better operation in the financial year.

## COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2015 WITH FISCAL 2014

### Revenue from Operations

During the year 2014-15 the total revenue of our company increased to Rs. 4.35 Lakhs as against Rs. 7.39 Lakhs in the year 2013-14, representing a decrease of 41.13% of the total revenue. This decrease is majorly due to a lower scale of operation in the financial year 2015-16.

### Total Expenses

The total expenditure for the year 2014-15 decreased to Rs.4.78 Lakhs from Rs. 6.78 Lakhs a decrease of 29.46% to the previous year.

### Cost of Operations

Cost of Operations in terms of value and percentage increased by Rs. 0.63 Lakhs and 1575%, from Rs. 0.04 Lakhs in the fiscal year ended March 31, 2014 to Rs.0.66 Lakhs in the fiscal year ended March 31, 2015.

### Employee benefits expenses

The Employee Benefit Expense comprises of salaries, allowances, staff welfare expenses and other benefits to the employees. The said expenses increased to Rs. 1.80 Lakhs during the current year from Rs. 1.20 Lakhs in the previous year 2014-15 i.e. increase of 50 % to the previous year.

### Depreciation and Amortization Expense

Depreciation for the year 2014-15 is Rs. 0.50 Lakhs as against Rs 0.33 Lakhs in the previous year 2014-15 i.e increase of 51.5%.

**Profit/ (Loss) After Tax**

For the year 2014-15 the profit stood at Rs 0.22 Lakhs as against the profit of Rs 0.34 Lakhs for the previous year 2013-14.

**COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2014 WITH FISCAL 2013****Revenue from Operations**

During the year 2013-14 the total revenue of our company increased to Rs. 7.39 Lakhs as against Rs. 0.09 Lakhs in the year 2012-13, representing a decrease of 8111% of the total revenue. This increase is majorly due to a higher scale of operation in the financial year 2013-14.

**Total Expenses**

The total expenditure for the year 2013-14 increased to Rs.6.78 Lakhs from Rs. 0.05 Lakhs a increase of 13480% to the previous year. This increase is majorly due to a higher scale of operation in the financial year 2013-14.

**Profit/ (Loss) After Tax**

For the year 2013-14 the profit stood at Rs 0.34 Lakhs as against the profit of Rs 0.03 Lakhs for the previous year 2012-13.

**COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2013 WITH FISCAL 2012****Revenue from Operations**

During the year 2012-13 the total revenue of our company was Rs.0.09 lakhs as compared to Nil revenue in the financial year 2011-12 as there was no business activity in the financial year 2011-12.

**Total Expenses**

The total expenditure for the year 2012-13 was Rs.0.05 Lakhs to Rs. 0.22 Lakhs in the financial year 2011-12 a decrease by 340%. This decrease in expenses due to business activity undertaken in the financial year 2012-13.

**Profit/ (Loss) After Tax**

For the year 2012-13 the profit stood at Rs 0.03 Lakhs as against the loss of Rs.0.22 lakhs in the previous year 2011-12.

**COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2012 WITH FISCAL 2011**

The comparison of the financial performance of fiscal year 2012 cannot be compared with fiscal year 2011 as the Company was incorporated on April, 15, 2011

## FINANCIAL INDEBTNESS

Our Company has taken unsecured loan from our directors for conducting its business. Set forth below is a brief summary of our Company's unsecured borrowings:

Name of the lender	Terms & Conditions	Amount (Rs.' Lakhs) as on 30.06.2016
Pinal R. Shah	Interest free loan and as per terms and conditions it is repayable on demand	45.22
Rakshit M Shah	Interest free loan and as per terms and conditions it is repayable on demand	0.41
<b>Total</b>		<b>45.62</b>

## SECTION VII - LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

#### I. Cases Filed By Veeram Ornaments Limited

**A) Civil Cases**

There are no cases or pending civil proceedings filed by Veeram Ornaments Limited.

**B) Criminal Cases**

There are no cases or pending criminal proceedings filed by Veeram Ornaments Limited

**C) Labour Cases**

There are no cases or pending labour proceedings filed by Veeram Ornaments Limited

#### II. Cases Filed Against Veeram Ornaments Limited

**A) Civil proceedings**

There are no cases or pending civil proceedings filed against Veeram Ornaments Limited

**B) Criminal Proceedings**

There are no cases or pending criminal proceedings filed against Veeram Ornaments Limited

#### III. Tax Proceedings Involving Veeram Ornaments Limited

There are no cases or pending criminal proceedings filed against Veeram Ornaments Limited

### LITIGATIONS INVOLVING PROMOTERS OF VEERAM ORNAMENTS LIMITED

#### For MR. RAKSHIT MAHENDRA SHAH'

**1. Proceedings of Civil nature**

(a) By the promoter: NIL

(b) Against the promoters: NIL

**2. Proceedings of a Criminal nature**

(a) By the promoter: NIL

(b) Against the promoters: NIL

**3. Proceeding relating to Tax Matters**

NIL

#### FOR MRS. PINAL RAKSHITBHAI SHAH

**1. Proceedings of Civil nature**

(c) By the promoter: NIL

(d) Against the promoters: NIL

**2. Proceedings of a Criminal nature**

(c) By the promoter: NIL

(d) Against the promoters: NIL

**3. Proceeding relating to Tax Matters**

NIL

### LITIGATIONS INVOLVING DIRECTORS OF VEERAM ORNAMENTS LIMITED

The Directors of the Company are as follows:

1. Mr. Mahendra Ramniklal Shah- Managing Director;
2. Mr. Rakshit Mahendra Shah - Executive Director
2. Mrs. Pinal Rakshitbhai Shah- Non Executive Director;
3. Mr. Shankar Prasad Bhagat- Independent Director; and
4. Mr. Manoharbai Bharatbhai Chunara- Independent Director

None of the above directors is have any civil case or criminal case or any proceedings relating to Tax Matters either filed by them or against them.

**LITIGATIONS INVOLVING PROMOTER GROUP OF VEERAM ORNAMENTS LIMITED**

The Promoter Groups of the Company are as follows:

- a. Mr. Rakshit Mahendra Shah
- b. Mrs. Pinal Rakshitbhai Shah

None of the above persons is have any civil case or criminal case or any proceedings relating to Tax Matters either filed by them or against them.

**LITIGATIONS INVOLVING KMP's OF VEERAM ORNAMENTS LIMITED**

The KMP's of the Company are as follows:

1. Mr. Chiragbhai Chompaklall Valani - CFO;
2. Miss Noopur Prakash Jain- CS & Cmppliance Officer;

None of the above KMP's have any civil case or criminal case or any proceedings relating to Tax Matters either filed by them or against them.

**LITIGATIONS INVOLVING GROUP COMPANIES OF VEERAM ORNAMENTS LIMITED**

NIL

## GOVERNMENT AND OTHER STATUTORY APPROVALS

In view of the approvals listed below, our Company can undertake this Offer and our Company mentioned below can respectively undertake their current business activities. Except as mentioned below, no further material approvals from any governmental or regulatory authority or any other entity are required to undertake this Offer or continue such business activities. Unless otherwise stated, these approvals are valid as of the date of this Draft Red Herring Prospectus. For further details in connection with the regulatory and legal framework within which we operate, see the section titled “Key Industry Regulations and Policies” on page 111.

### A. Approvals relating to the Fresh Issue

- I. The Board, pursuant to its resolution dated 01<sup>st</sup> August, 2016, authorized the Fresh Issue, subject to approval by the Shareholders of our Company under the Companies Act.
- II. The Shareholders have, pursuant to a resolution dated 11<sup>th</sup> August, 2016 under the Companies Act, 2013 authorized the Offer.
- III. In-principle approval from the BSE SME dated [●]; and

### B. Corporate Approvals

SR No	Particulars	Authority	Registration No	CIN No	Purpose	Date
1	Certificate of Incorporation	Ministry of Corporate Affairs	064964	U92100GJ2011PTC064964	Incorporated in the name of Veeram .T.V. Network Pvt Ltd	15 <sup>th</sup> April, 2011
2	Change of Name	Ministry of Corporate Affairs	064964	U93000GJ2011PTC064964	Change of name from Veeram .T.V. Network Pvt Ltd to Veeram Spiritual Energies Pvt Ltd	26 <sup>th</sup> February, 2014
3	Change of Name	Ministry of Corporate Affairs	064964	U74110GJ2011PTC064964	Veeram Spiritual Energies Pvt Ltd To Veeram Ornaments Pvt Ltd	10 <sup>th</sup> June, 2016
4	Conversion from Private Company to Public Company	Ministry of Corporate Affairs	064964	U74110GJ2011PLC064964	Converted from Veeram Ornaments Pvt Ltd to Veeram Ornaments Ltd	26 <sup>th</sup> July, 2016

**C. Income Tax Approvals**

SR No	Nature of License/ Approvals	Authority	PAN No
1	Permanent Account Number(PAN) @	Income Tax Department, Government of India	AAECV7446O
2	Tax Deduction Account Number(TAN)	Income Tax Department, Government of India	AHMV06759E

**D.** @ PAN Card is in the name of Veeram Spiritual Energies Pvt Ltd. Application details for new PAN card is mentioned in Part E under the head of “**Which have been applied for but yet not been approved/ granted**”.

**E. Other Tax Approvals**

SR No	Particulars	Authority	Registration No	Date of Registration
1	Registration for Value Added Tax	The Gujarat Value Added Tax Rules, 2006	24073806809	24 <sup>th</sup> August, 2015

**F. Which have been applied for but yet not been approved/granted**

SR No	Particulars	Authority	Application No. / Acknowledgement No	Date of Application
1	Application for new PAN Card in the name of Veeram Ornaments Ltd \$	Income Tax Department, Government of India	N - 022999700956050	27th July, 2016

\$ Application made for change of name.

## OTHER REGULATORY & STATUTORY DISCLOSURES

### Authority for the Issue

Our Board of Directors have vide resolution dated August 1, 2016 authorized the Issue, subject to the approval by the shareholders of our Company under Section 62 (1)(c) of the Companies Act, 2013.

The shareholders have authorized the Issue, by passing a Special Resolution at the Extra Ordinary General Meeting held on August 11 , 2016 in accordance with the provisions of Section 62 (1)(c) of the Companies Act, 2013.

### PROHIBITION BY SEBI

Our Company, our Directors, our Promoters, members of the Promoter Group and Group Companies, companies promoted by Promoters and companies or entities with which our Company's Directors are associated as directors/promoters/partners have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

The listing of any securities of our Company has never been refused at anytime by any of the stock exchanges in India. Neither of our promoter, promoter group, directors or the persons in control of our company has never been part of the promoter, promoter group , directors or the persons in control of any other company which is debarred from accessing the capital market under any order or directions made by the Board or any other other regulatory or governmental authority.

### PROHIBITION BY RBI

Neither our Company, our Promoters, our Promoter Group, our Group Companies, relatives of our Promoters (as defined under the Companies Act), our Directors and Companies with which our Directors are associated as directors or promoters have not been declared as willful defaulters by RBI / government authorities and there are no violations of securities laws committed by them in the past and no proceedings are pending against them.

Our Company, our Promoters, their relatives, group companies have, not been detained as willful defaulters by RBI/government authorities and there are no violations of securities laws committed by them in the past or pending against them.

### ELIGIBILITY FOR THE ISSUE

Our Company is eligible for the Issue in accordance with Regulation 106M (1) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, as we are an Issuer whose post issue face value capital is not more than Ten Crores Rupees and we may hence issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in the case being the SME Platform of BSE).

We confirm that:

a) In accordance with Regulation 106P of the SEBI (ICDR) Regulations, the offer has been hundred percent underwritten and that the Lead Manager to the Offer has to underwrite atleast 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to paragraph titled 'Underwriting Agreement' under chapter titled 'General Information' on page 54 of this prospectus.

b) In accordance with Regulation 106R of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed Allottee's in the offer is not less than fifty, otherwise the entire application money will be refunded forthwith. If such money is not repaid within 8 ( Eight) days from the date our company becomes liable to repay it, then our Company and every officer in default shall on and from expiry of eight days, be liable to repay such application money interest as prescribed under section 40 of the Companies Act, 2013.

c) In accordance with Regulation 106O of the SEBI (ICDR) Regulation, we have not filed any Draft Offer Document with SEBI nor has SEBI issued any observation on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmation as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.

d) In accordance with Regulation 106V of the SEBI (ICDR) Regulation, we have entered into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in the Offer. For further details of the arrangement of market making please refer to the paragraph titled '*Details of the Market Making Arrangement for the Offer*' under chapter titled '*General Information*' on page no. 54 of this Draft Prospectus

We further confirm that, we shall be complying with all the other requirements as laid down for such an Issue under Chapter X B of the SEBI (ICDR) Regulation, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106M (3) of the SEBI (ICDR) Regulation, 2009, the provision of Regulation 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Regulation 49(1) of SEBI (ICDR) Regulation, 2009 shall not apply to us in the Offer.

#### **BSE ELIGIBILITY NORMS:**

Our Company is also eligible for the Issue in accordance with eligibility norms for Listing on SME Exchange/ Platform.

#### **1. The company is incorporated under the Companies Act, 1956.**

Our Company was originally incorporated at Ahmedabad as "Veeram T.V. Network Private Limited" on April 15, 2011 under the provisions of the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Gujarat. Subsequently, the name of our Company was changed from Veeram T.V Network Private Limited to Veeram Spiritual Energies Private Limited and fresh certificate of incorporation consequent upon change of name was issued by the Roc on 26<sup>th</sup> February 2014. Subsequently the name of our Company was changed from Veeram Spritual Energies Private limited to Veeram Ornaments Private Limited and fresh certificate of incorporation consequent upon change of name was issued by the Roc on June 10, 2016. Our Company was converted into a public limited and consequently the name was changed to "Veeram Ornaments Limited. " vide fresh certificate of incorporation dated on 26<sup>th</sup> July, 2016 issued by the Registrar of Companies, Gujarat. The CIN of the Company is **U74110GJ2011PLC064964**.

#### **2. Net worth (excluding revaluation reserves) of at least Rs. 3 Crores as per the latest audited financial results.**

Our Company satisfies the above criteria. Our Company has a Networth of Rs. 349.82 Lakhs as per the latest audited financial statements and

<b>Particulars</b>	<b>June 30, 2016</b>	<b>March 31, 2016</b>	<b>March 31,2015</b>	<b>March 31, 2014</b>
Share capital	34,33,350	34,33,350	1,00,000	1,00,000
Add Reserves & Surplus	3,15,48,483	2,75,43,484	68,491	43,767
Less: Preliminary expense	-	-	-	
<b>Net Worth</b>	<b>3,49,81,833</b>	<b>3,09,76,834</b>	<b>1,68,491</b>	<b>1,43,767</b>

### 3. Net Tangible assets of at least Rs. 3 Crores as per the latest audited financial results.

Our Company satisfies the above criteria. Our Company has Net Tangible Assets of Rs. 309.77 Lakhs, which is in excess of Rs. 3.00 Crores as per the latest audited financial statements. Our Net Tangible Assets are disclosed as under:

Particulars	March 31, 2016	March 31, 2015	March 31, 2014
Fixed Asset	276891	270780	3,29,087
<b>Current Assets , Loans &amp; Advances</b>			
Current Investments	13,80,000	13,80,000	-
Inventories	2,15,18,024	-	-
Cash & Cash Equivalent	3,31,060	15,910	3,27,680
Short Term Loan & Advances	15,23,967	-	-
Trade Receivables	70,56,932	-	2,00,000
Other Current Assets	1,34,203	62,494	-
<b>Total Assets (A)</b>	<b>3,22,21,078</b>	<b>17,29,184</b>	<b>8,56,767</b>
<b>Less : Current Liabilities &amp; provisions</b>			
Long Term Borrowings	10,36,743	698000	-
Short Term Borrowings	-	-	-
Other Current Liabilities	2,07,500	4,14,693	3,13,000
Trade payables	-	-	-
Short Term Provisions	-	-	-
Deferred Tax Liability	-	-	-
<b>Total Current Liabilities &amp; Provisions</b>			
<b>Net Tangible Assets (A-B)</b>	<b>3,09,76,835</b>	<b>6,16,491</b>	<b>5,43,767</b>

4. Track record of distributable profits in terms of Section 123 of Companies Act 2013, as detailed below for at least two years out of immediately preceding three financial years (each financial year has to be a period of at least 12 months). Extraordinary income will not be considered for the purpose of calculating distributable profits. Otherwise , the Net Worth shall be at least Rs. 5 Crores.

Particulars	March 31,2016	March 31,2015	March 31,2014
Net profit	8,17,583	24,724	60,717

### 5. Other Requirements:

- a) The post-issue paid up capital of the company shall be at least Rs. 3 Crores.

The current paid up capital of our company is Rs. 34.33 Lakhs, and the Post Issue Capital shall be Rs. 431.00 Lakhs which is in excess of Rs. 3.00 Crores.

- b) Companies shall mandatorily have a website.

Our Company has a live and operational website: [www.veeramornaments.com](http://www.veeramornaments.com).

- c) The company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.

Our company has entered into tripartite agreements with CDSL and NSDL along with our Registrar and Share Transfer Agent for facilitating trading in dematerialized mode. Also, the Equity Shares allotted through the offer will be in dematerialized mode.

6. Certificate from the applicant company / promoting companies stating the following :

- a) *The company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR). Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).*
- b) *There is no winding up petition against the company, which has been admitted by the court or a liquidator has not been appointed.*

There is no winding up petition against our company, which has been admitted by the court. Also, no liquidator has not been appointed.

- c) *There is no change in the promoter/s of the Company in the preceding one year from date of filing of application to BSE for listing on SME segment.*

#### **DISCLAIMER CLAUSE OF SEBI**

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE 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 OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, GRETEX CORPORATE SERVICES PRIVATE LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS PROSPECTUS, THE LEAD MERCHANT BANKER, GRETEX CORPORATE SERVICES PRIVATE LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, GRETEX CORPORATE SERVICES PRIVATE LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED 25<sup>TH</sup> AUGUST, 2016 WHICH READS AS FOLLOWS:

WE, THE LEAD MERCHANT BANKER TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID OFFER.

2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:
  - a. THE PROSPECTUS FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;
  - b. ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
  - c. THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956, THE SECURITIES EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE OTHER INTERMEDIARIES NAMED IN THE OFFER DOCUMENT ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCKIN PERIOD AS STATED IN THE PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND PPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE OFFER. - NOT APPLICABLE.

8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. - COMPLIED WITH TO THE EXTENT APPLICABLE.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE OFFER DOCUMENT. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. - NOT APPLICABLE, UNDER SECTION 29 OF THE COMPANIES ACT, 2013, ALL THE SHARES SHALL BE ISSUED IN DEMATERIALIZED FORM ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE OFFER DOCUMENT:
  - (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER; AND
  - (B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE OFFER. - *NOTED FOR COMPLIANCE*
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY, GRETEX CORPORATE SERVICES PRIVATE LIMITED, AS PER FORMAT SPECIFIED BY THE BOARD THROUGH CIRCULAR BEARING REFERENCE CIR/MIRSD/1/2012 DATED JANUARY 10, 2012.
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. - COMPLIED WITH TO THE EXTENT THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE FINANACIAL STATEMENTSOF THE COMPANY INCLUDED IN THE PROSPECTUS

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY LEAD MANAGER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE

1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THIS PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE OFFER UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THE OFFER SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-OFFER ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE OFFER HAVE BEEN GIVEN. - NOTED FOR COMPLIANCE
3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. - NOTED FOR COMPLIANCE
4. WE CONFIRM THAT AGREEMENTS WILL BE ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.
5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, THE CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS. - NOT APPLICABLE
6. WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION [106P] AND [106V] OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, HAVE BEEN MADE. - NOTED FOR COMPLIANCE
7. WE CONFIRM THAT THE ISSUER HAS REDRESSED AT LEAST NINETY FIVE PER CENT OF THE COMPLAINTS RECEIVED FROM THE INVESTORS TILL THE END OF THE QUARTER IMMEDIATELY PRECEDING THE MONTH OF THE FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES. - NOT APPLICABLE

THE FILING OF THE PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER SECTION 34 AND SECTION 36 OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MERCHANT BANKER, ANY IRREGULARITIES OR LAPSES IN THIS PROSPECTUS.

All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Mumbai.

*The filing of the Prospectus does not, however, absolve our company from any liabilities under section 34, Section 35, Section 36 and section 38(1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and /or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the LM any irregularities or lapses in the Prospectus.*

*All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Mumbai in terms of sections 26 and 32 of the Companies Act, 2013.*

#### **DISCLAIMER STATEMENT FROM OUR COMPANY AND THE LEAD MANAGER**

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website, [www.veeramornaments.com](http://www.veeramornaments.com), would be doing so at his or her own risk.

#### **CAUTION**

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Offer Agreement entered into among the Lead Manager and our Company dated August 22, 2016, the Underwriting Agreement dated August 22, 2016 entered into among the Underwriter and our Company and the Market Making Agreement dated August 22, 2016 entered into among the Market Maker and our Company.

Our Company, our Directors and the Lead Manager shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres, etc.

**Investors who apply in the Offer will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.**

#### **PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER**

For details regarding the price information and the track record of the past Issues handled by the Lead Manager to the Offer as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to 'Annexure A' to this Prospectus and the website of the Lead Manager at [www.gretexgroup.com](http://www.gretexgroup.com).

## **DISCLAIMER IN RESPECT OF JURISDICTION**

The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2 (72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakhs, pension funds with minimum corpus of Rs. 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FIIs, Eligible NRIs, QFIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company, this Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Prospectus has been filed with BSE for its observations and BSE shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and the Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

## **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

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

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an

exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **DISCLAIMER CLAUSE OF THE SME PLATFORM OF BSE LIMITED**

**BSE Limited ("BSE") has given vide its letter dated [\*] permission to our Company to use its name in this Offer Document as one of the Stock Exchanges on which this company's securities are proposed to be listed on the SME Platform.**

As required, a copy of this Prospectus shall be submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Prospectus, shall be included in the Prospectus prior to the RoC filing. BSE does not in any manner:-

- Warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- Warrant that this company's securities will be listed or will continue to be listed on BSE; or
- Take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company;

And it should not for any reason be deemed or construed that this offer document has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities in this Company may do so pursuant to independent inquiry, investigations and analysis and shall not have any claim against BSE whatsoever by reason of loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

#### **FILING**

This Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on this Prospectus in term of Regulation 106(O).

However, a copy of the Prospectus shall be filed with SEBI at Unit No: 002, Ground Floor, SAKAR I, Near Gandhigram Railway Station, Opp. Nehru Bridge, Ashram Road, simultaneously with the filing of the Prospectus with the SME exchange and the Registrar of Companies.

A copy of the Prospectus, along with the documents required to be filed under Section 60 of the Companies Act, 1956 and Section 32 of the Companies Act, 2013, will be delivered to the Registrar of Companies, ROC Bhavan , Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013.

#### **LISTING**

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, there is no requirement of obtaining In-Principle approval of the SME Platform of BSE. However, application shall be made to SME Platform of BSE for obtaining permission for listing of the Equity Shares being offered and sold in the Issue on its SME Platform after the allotment in the Issue. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

The SME Platform of BSE has given its approval for using its name in our Prospectus vide its letter dated [•].

If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within 8 (Eight) days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 (Eight) days, be liable to repay the application money, with interest at the rate of 15% per annum on application money, 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 SME platform of BSE mentioned above are taken within 6 Working Days of the Offer 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 the Company for acquiring or subscribing for, any shares therein, or*
- b. Makes or abets making of multiple applications to the Company in different names or in combination of his name or surname for acquiring or subscribing for its securities; or*
- c. Otherwise induces directly or indirectly to the Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name.*

## CONSENTS

We have obtained consents in writing of our Directors, Promoters, Compliance Officer, the Lead Manager, Registrar to the Offer, the Auditors to the Company (Peer Reviewed Auditor), the Statutory Auditor, the Legal Advisor to the Offer and Banker(s) to the Company. We will obtain consents in writing of the Market Maker(s), Underwriter(s), and the Banker(s) to the Offer/ Escrow Collection Bank(s) to act in their respective capacities. These consents will be filed along with a copy of the Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act, 1956 and Section 32 of the Companies Act, 2013. Further, such consent and report will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, 2009, M/S Dhaval Padiya & Company, Chartered Accountants, our Statutory Auditors have agreed to provide their respective written consents for inclusion of their name, report on financial statements and report relating to the possible general and special tax benefits, as applicable, accruing to our Company and its shareholders, in this Prospectus in the form and context in which they appear in this Prospectus.

## EXPERT OPINION TO THE ISSUE

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

Our Company has received consent from the Statutory Auditor of the Company to include their name as an expert as per Section 26 of the Companies Act 2013 in this Prospectus in relation to the (a) Auditors' reports on the restated financial statements; and (b) Statement of Tax Benefits by the Statutory Auditors 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 1933.

## **OFFER RELATED EXPENSES**

The expenses of the Offer include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, advertising expenses and listing fees. For details of total expenses of the Issue, see the chapter "Objects of the Issue" beginning on page no. 75 of the Prospectus

## **DETAILS OF FEES PAYABLE**

### **Fees Payable to the Lead Manager**

The total fees payable to the Lead Manager will be as per the Offer Agreement dated August 22, 2016 has been executed between our Company and the Lead Manager, a copy of which is available for inspection at our Registered Office.

### **Underwriting Commission, Brokerage and Selling Commission**

The underwriting and selling commission for the Offer is as set out in the Underwriting Agreement dated [\*] between our Company, the Lead Manager, Market Maker and Underwriter, a copy of which is available for inspection at our Registered Office. Payment of underwriting commission, brokerage and selling commission would be in accordance with applicable laws.

### **Fees Payable to the Market Maker(s)**

The fees payable to the Market Maker(s) to the Offer will be as per the Market Making Agreement dated [\*] between our Company, Lead Manager and Market Maker, a copy of which is available for inspection at our Registered Office.

### **Fees Payable to the Registrar to the Offer**

The fees payable to the Registrar to the Offer will be as per the Memorandum of Understanding dated August 22, 2016 executed between our Company and the Registrar to the Offer, a copy of which is available for inspection at our Registered Office.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp-duty and communication expenses. Adequate funds will be provided by our Company to the Registrar to the Offer to enable them to send refund orders or Allotment advice by registered post/speed post/ under certificate of posting.

### **Fees Payable to Others**

The total fees payable to the Legal Advisor, Auditor, and Advertiser, *etc.* will be as per the terms of their respective engagement letters.

## **PREVIOUS RIGHTS AND PUBLIC ISSUES DURING THE LAST FIVE YEARS**

We have not made any previous rights and/or public issues during the last five years, and are an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, 2009, amended from time to time and the Offer is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations, 2009, amended from time to time.

## **PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH**

Except as stated in the chapter titled '*Capital Structure*' beginning on page 60 of this Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

## **COMMISSION AND/ OR BROKERAGE ON PREVIOUS ISSUES**

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since inception.

PARTICULARS IN REGARD TO UOR COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE EMANNING OF SECTION 370 (1) (B) OF THE COMPANIES ACT , 1956/ SECTION 186 OF THE COMPANIES ACT , 2013 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS.

## **OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY**

As on the date of this Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares

## **STOCK MARKET DATA FOR OUR EQUITY SHARES**

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, 2009, and the Offer is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations, 2009. Thus there is no stock market data available for the Equity Shares of our Company.

## **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The Company has appointed Karvy Computershare Pvt. Ltd. as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

All grievances relating to the present Issue may be addressed to the Registrar and Share Transfer Agent to the Offer with a copy to the relevant Designated Intermediary with whom the Application Form was submitted. The Applicant should give full details such as name of the sole or first Applicant, Application Form number, Applicant DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Memorandum of Understanding between the Registrar and Our Company provides for retention of records with the Registrar for a period of at least three year from the last date of dispatch of the letters of Allotment and demat credit to enable the investors to approach the Registrar to this Issue for redressal of their grievances.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA Applicants.

## DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders shall redress routine investor grievances. We estimate that the average time required by us or the Registrar to the Offer for the redressal of routine investor grievances will be 15 (Fifteen) Working 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.

We have constituted the **Stakeholders Relationship Committee** of the Board *vide* resolution passed at the Board Meeting held on 29th July, 2016. For further details, please refer to the chapter titled '*Our Management*' beginning on page no. 120 of this Draft Prospectus

Our Company has appointed Mrs. Noopur Prakash Jain as the Company Secretary and Compliance Officer and she may be contacted at the following address:

VEERAM ORNAMENTS LIMITED  
Shop No. 2,  
Naroda Pride, Nr. Padmavati Society,  
Naroda-Nikol Road,  
Ahmedabad GJ 382350 IN  
Tel No.+079-22812568  
Tel-91-9510646569

**Email :** [info@veeramornaments.com](mailto:info@veeramornaments.com)

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

## SECTION VIII - ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being offered pursuant to the Issue shall be subject to the provisions of the Companies Act, SEBI Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the terms of the Draft Prospectus, the Prospectus, Bid cum Application Form, the Revision Form, the CAN/ Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, 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 Stock Exchanges, Registrar of Companies, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable, or such other conditions as may be prescribed by SEBI, RBI, the Government of India, the Stock Exchanges, the Registrar of Companies and/or any other authorities while granting its approval for the Issue.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November, 10th 2015, all the applicants have to compulsorily apply through the ASBA Process.*

*Further vide the said circular Registrar to the Issue and Depository Participants 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 the Equity Shares**

The Equity Shares being issued and transferred pursuant to the issue shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects including dividend with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment.

For further details, please see the section titled "Main Provisions of the Articles of Association" beginning on page no. 267 of this Draft Prospectus

#### **Authority for the Issue**

This Issue has been authorized by a resolution of the Board passed at their meeting held on 01<sup>st</sup> August, 2016 subject to the approval of shareholders through a special resolution to be passed pursuant to section 62 (1) (c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the EGM of the Company held on 11<sup>th</sup> August, 2016.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013, the Memorandum and Articles of Association, and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. In respect of the Offer for Sale, all dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been issued and allotted Equity Shares in such Issue for the entire year. For further details, please refer the chapter titled "Dividend Policy" and "Main Provisions of Article of Association" beginning on page nos. 142 and 267 of this Draft Prospectus

#### **Face Value and Issue Price**

The Equity Shares having a face value of Rs. 10 each are being offered in terms of this Draft Prospectus at the price of Rs.45 per Equity Share. The Issue Price is decided by our Company, in consultation with the Lead Manager and is justified under the section titled "Basis of Issue Price" beginning on page no 81 of this Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

**Compliance with the disclosure and accounting norms**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall also comply with all disclosure and accounting norms as specified by SEBI from time to time.

**Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, the Listing Regulations and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, etc., please see the section titled "*Main Provisions of Articles of Association*" beginning on page no 267 of this Draft Prospectus.

**Minimum Application Value; Market Lot and Trading Lot**

In terms of Section 29 of Companies Act, 2013, the Equity Shares shall be allotted only in dematerialized form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialized form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar and Share Transfer Agent to the Issue:

1. Tripartite agreement dated [●] between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
2. Tripartite agreement dated [●] between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.

Trading of the Equity Shares will happen in the minimum contract size of 3,000 Equity Shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by BSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of 3,000 Equity Share subject to a minimum allotment of 3,000 Equity Shares to the successful Applicants.

**Minimum Number of Allottees**

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 6 Working days of closure of issue.

**Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

**Nomination Facility to Investor**

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first Applicant, along with other joint Applicant, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicant, death of all the Applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 (3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares;
- or
- to make such transfer of the Equity Shares, as the deceased holder could have made

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with. In case the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the Applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

**Withdrawal of the Issue**

Our Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-issue advertisements were published, within two days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed.

If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh Draft Offer Document. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment.

## ISSUE PROGRAMME

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

Event	Indicative Date
Issue Opening Date	[•]
Issue Closing Date	[•]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[•]
Initiation of Allotment / Refunds / Unblocking of Funds	[•]
Credit of Equity Shares to demat accounts of Allottees	[•]
Commencement of trading of the Equity Shares on the Stock Exchange	[•]

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

Applications and revision of to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (IST) during the Issue Period. On the Issue Closing Date, the Applications and any revision to the same shall be accepted only between **10.00 a.m. and 3.00 p.m.** (IST) and shall be uploaded until (i) **4.00 p.m.** (IST) in case of Application by QIB Applicants and Non-Institutional Applicants, and (ii) until **5.00 p.m.** (IST) or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the LM to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

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

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

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

**Minimum Subscription**

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

If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under section 40 of the Companies Act, 2013.

**Arrangements for Disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of 3,000 shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE.

**Restrictions, if any, on transfer and transmission of shares or debentures and on their consolidation or splitting**

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation / splitting, please see the section titled "*Main Provisions of the Articles of Association of our Company*" beginning on page no 267 of this Draft Prospectus.

**New Financial Instruments**

The Issuer Company is not issuing any new financial instruments through this Issue.

**Option to receive Equity Shares in Dematerialized Form**

As per Section 29(1) of the Companies Act, 2013, allotment of Equity Shares will be made only in dematerialized form.

Further, as per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchanges. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Platform of BSE.

**Migration to Main Board**

In accordance with the BSE Circular dated November 26, 2012, our Company will have to be mandatorily listed and traded on the SME Platform of the BSE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter XB of the SEBI (ICDR) Regulation, 2009, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of the company is likely to increase above Rs 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

- If the Paid up Capital of the company is more than Rs. 10 crores but below Rs. 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

**Market Making**

The shares Offered through this Issue are proposed to be listed on the SME Platform of BSE (SME Exchange), wherein the Lead Manager to the Issue shall ensure compulsory Market Making through the registered Market Maker of the SME Exchange for a minimum period of three years from the date of listing on the SME Platform of BSE.

For further details of the agreement entered into between our Company, the Lead Manager and the Market Maker, please see the chapter titled "*General Information*" beginning on page no 54 of this Draft Prospectus.

**Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Ahmadabad. The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(1) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue face value capital does not exceed more than ten crores rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such this Issue, please see the chapters titled "Terms of the Issue" and "Issue Procedure" beginning on page nos. 203 and 212 respectively of this Draft Prospectus

### Issue Structure

*Initial Public Issue of 11,37,000 Equity Shares of Rs. 10 each (the "Equity Shares") for cash at a price of Rs.45 per Equity Share (including a Share premium of Rs.35 per Equity Share) aggregating to Rs. 511.65 lakhs ("the Issue") by Veeram Ornaments Limited ("VOL" or the "Company" or the "Issuer").*

*The issue comprises a reservation of 57,000 Equity Shares of Rs. 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion") and a Net Issue to Public of 10,80,000 Equity Shares of Rs. 10 each ("the Net Issue"). The Issue and the Net Issue will constitute 26.38% and 25.06%, respectively of the post issue paid up equity share capital of the company. The Issue is being made through the Fixed Price Process.*

Particulars of the Issue	Net Issue to Public(1)	Market Maker Reservation Portion
Number of Equity Shares available for allocation	Upto 10,80,000 Equity Shares	Upto 57,000 Equity Shares
Percentage of Issue Size available for allocation	94.99% of the Issue Size	5.01% of the Issue Size
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate subject to minimum allotment of 3,000 Equity Shares and further allotment in multiples of 3,000 Equity Shares each. For further details please refer to the "Issue Procedure" on page no 212 of this Draft Prospectus.	Firm Allotment
Mode of Application	All the applicants shall make the application (online or physical) through the ASBA Process only	ASBA Process only
Minimum Application Size	<b>For QIB and NII:</b> Such number of Equity Shares in multiples of 3,000 Equity Shares such that the Application Value exceeds Rs. 2.00 lakhs. <b>For Retail Individuals:</b> 3000 Equity Shares	Upto 57,000 Equity Shares

Maximum Application Size	<b>For QIB and NII:</b> Such number of Equity Shares in multiples of 3,000 Equity Shares such that the Application Size does not exceeds up to 10,80,000 Equity Shares. <b>For Retail Individuals:</b> 3000 Equity Shares	Upto 5,40,000 Equity Shares
Application Lot Size	3,000 Equity Shares and in multiples of 3,000 Equity Shares thereafter	
Mode of Allotment	Dematerialized Form	
Trading Lot	3,000 Equity Shares	3,000 Equity Shares. However the Market Maker may buy odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Terms of Payment	The Applicant shall have sufficient balance in the ASBA account at the time of subsisting application and the amount will be blocked anytime within two days of the closure of the issue.	

As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, as present offer is a fixed price offer the Allocation' in the net offer to the public category shall be made as follows:

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

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

#### **Withdrawal of the Issue**

The Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

- The final listing and trading approvals of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment and,
- The final ROC approval of the Prospectus after it is filed with the ROC.

In case, the Company wishes to withdraw the Issue after Issue opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

#### **Issue Programme**

<b>Issue Opening Date</b>	<b>[●]</b>
<b>Issue Closing Date</b>	<b>[●]</b>

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working day i.e. all trading days of stock exchanges excluding Sunday and bank holidays as per SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

**Lot Size**

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the “Circular”) standardized the lot size for Initial Public Offer proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

Price Band (in Rs )	Lot Size (No. of shares)
Upto 14	10,000
More than 14 upto 18	8,000
More than 18 upto 25	6,000
More than 25 upto 35	4,000
More than 35 upto 50	3,000
More than 50 upto 70	2,000
More than 70 upto 90	1,600
More than 90 upto 120	1,200
More than 120 upto 150	1,000
More than 150 upto 180	800
More than 180 upto 250	600
More than 250 upto 350	400
More than 350 upto 500	300
More than 500 upto 600	240
More than 600 upto 750	200
More than 750 upto 1000	160
Above 1000	100

Further to the Circular, at the Initial Public Offer stage the Registrar to Issue in consultation with Lead Manager, our Company and BSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the IPO Lot Size at the application/allotment stage, facilitating secondary market trading.

## ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI ("General Information Document"), included below under "**Part B – General Information Document**", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and certain notified provisions of the Companies Act 2013, to the extent applicable to a public issue. The General Information Document would be made available with the Lead Manager and would also be made available on the websites of the Stock Exchanges and the Lead Manager before opening of Issue. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and shall not be liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus.

Please note that all the Applicants can participate in the Issue only through the ASBA process. All Applicants shall ensure that the ASBA Account has sufficient credit balance such that the full Application Amount can be blocked by the SCSB at the time of submitting the Application. Applicants applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs.

ASBA Applicants are required to submit ASBA Applications to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link. The list of Stock Brokers, Depository Participants ("DP"), Registrar to an Issue and Share Transfer Agent ("RTA") that have been notified by BSE Ltd to act as intermediaries for submitting Application Forms are provided on <http://www.bseindia.com>. For details on their designated branches for submitting Application Forms, please see the above mentioned BSE website.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept application forms.

### **PART A**

#### **FIXED PRICE ISSUE PROCEDURE**

The Issue is being made in compliance with the provisions of Reg. 106(M)(1) of Chapter XB of the SEBI (ICDR) Regulations, 2009 and through the Fixed Price Process wherein 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be offered to Non Retail Category i.e. QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to

each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

**Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.**

## APPLICATION FORM

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE ([www.bseindia.com](http://www.bseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

All Applicants shall mandatorily participate in the Issue only through the ASBA process. ASBA Applicants must provide bank account details and authorisation to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected.

ASBA Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

Designated Intermediaries shall submit Application Forms to SCSBs and shall not submit it to any non-SCSB bank.

## Who Can Apply?

1. Indian nationals resident in India, who are not minors (except through their Legal Guardians), in single or joint names (not more than three);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: —Name of Sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorised to invest in equity shares;
4. Mutual Funds registered with SEBI;

5. Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
7. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB portion;
8. Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non- Institutional Applications portion;
9. VCFs registered with SEBI;
10. FVCIs registered with SEBI;
11. Eligible QFIs;
12. Foreign Nationals and other non-residents (subject to eligibility norms specified in SEBI FPI Regulations, 2014 and other applicable provisions)
13. Multilateral and bilateral development financial institutions;
14. State Industrial Development Corporations;
15. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorized under their respective constitutions to hold and invest in equity shares;
16. Scientific and/or industrial research organizations authorized in India to invest in equity shares;
17. Insurance companies registered with Insurance Regulatory and Development Authority;
18. Provident Funds with a minimum corpus of Rs 250 million and who are authorised under their constitution to hold and invest in equity shares;
19. Pension Funds with a minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
20. Limited liability partnerships;
21. National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the GoI, published in the Gazette of India;
22. Nominated Investor and Market Maker
23. Insurance funds set up and managed by the army, navy or air force of the Union of India and by the Department of Posts, India
24. Any other person eligible to Apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

***As per the existing policy of the Government of India, OCBs cannot participate in this Issue. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.***

**Applications not to be made by**

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Overseas Corporate Bodies

**Maximum and Minimum Application Size****a) For Retail Individual Applicants:**

The Application must be for a minimum of 3,000 Equity Shares and in multiples of 3,000 Equity Shares thereafter, so as to ensure that the Application Amount payable by the Applicant does not exceed Rs.2,00,000. In case of revision of the Application, the Retail Individual Applicants have to ensure that the Application Amount does not exceed Rs. 2,00,000.

**b) For Other Applicants (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs. 2,00,000 and in multiples of 3,000 Equity Shares thereafter. Application cannot be submitted for more than the Issue Size. However, the maximum application size by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Applicant cannot withdraw or lower the size of their Application at any stage and are required to pay the entire Application Amount upon submission of the Application.**

The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Application, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Information for the Applicants**

- a) Our Company shall file the Prospectus with the RoC at least three working days before the Issue Opening Date.
- b) Our Company shall, after registering the Prospectus with the RoC, make a pre-Issue advertisement, in the form prescribed under the ICDR Regulations, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre- issue advertisement, our Company and the Lead Manager shall advertise the Issue Opening Date, the Issue Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the ICDR Regulations.
- c) Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE ([www.bseindia.com](http://www.bseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.
- d) Applicants who are interested in subscribing to the Equity Shares should approach any of the Application Collecting Intermediaries or their authorized agent(s).
- e) Application should be submitted in the prescribed Application Form only. Application Forms submitted to the SCSBs should bear the stamp of the respective intermediary to whom the

application form is submitted. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and / or the Designated Branch.

f) The Application Form can be submitted either in physical or electronic mode, to the Application Collecting Intermediaries. Further Application Collecting Intermediary may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.

**The Applicants should note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic system of the Stock Exchanges does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Application Form is liable to be rejected.**

#### **Availability of the Prospectus and the Application Forms:**

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE ([www.bseindia.com](http://www.bseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

#### **Participation by associates and affiliates of the Lead Manager**

The Lead Manager shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue in non Retail Portion, where the allocation is on a proportionate basis.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to reject the Application without assigning any reason thereof.

Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made.

**In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.**

**No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.**

#### **Applications by Eligible NRIs**

NRIs may obtain copies of Application Form from the offices of the Lead Manager and the Designated Intermediaries. Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Application Amount, at the time of the submission of the Application Form.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

### **Applications by FPI and FIIs**

On January 7, 2014, SEBI notified the SEBI FPI Regulations pursuant to which the existing classes of portfolio investors namely “foreign institutional investors” and “qualified foreign investors” will be subsumed under a new category namely “foreign portfolio investors’ or “FPIs”. RBI on March 13, 2014 amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies.

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations. Further, a qualified foreign investor who had not obtained a certificate of registration as and FPI could only continue to buy, sell or otherwise deal in securities until January 6, 2015. Hence, such qualified foreign investors who have not registered as FPIs under the SEBI FPI Regulations shall not be eligible to participate in this Issue.

In case of Applications made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Application Form, failing which our Company reserves the right to reject any application without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Applications made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason.

In terms of the SEBI FPI Regulations, the Issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10.00% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10.00% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24.00% of the paid-up Equity Share capital of our Company. The aggregate limit of 24.00% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10.00% and 24.00% of the total paid-up Equity Share capital of our Company, respectively.

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 Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by

virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Application Form for Non-Residents (blue in color). FPIs are required to apply through the ASBA process to participate in the Issue.

#### **Applications by SEBI registered VCFs, AIFs and FVCIs**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

**Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **Applications by Limited Liability Partnerships**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company and reserves the right to reject any Application without assigning any reason thereof.

#### **Applications by Insurance Companies**

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company and reserves the right to reject any Application without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10.00% of the investee company's subscribed capital (face value) or 10.00% of the respective fund in case of life insurer or 10.00% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: the least of 10.00% of the respective fund in case of a life insurer or 10.00% of investment assets in case of a general insurer or reinsurer (25.00% in case of ULIPs); and
- 3) the industry sector in which the investee company operates: 10.00% of the insurer's total investment exposure to the industry sector (25.00% in case of ULIPs).

#### **Applications by Provident Funds / Pension Funds**

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 250.00 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof.

#### **Applications by Banking Companies**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company and reserve the right to reject any Application without assigning any reason.

The investment limit for banking companies as per the Banking Regulation Act, 1949, as amended, is 30.00% of the paid up share capital of the investee company or 30.00% of the banks' own paid up share capital and reserves, whichever is less (except in certain specified exceptions, such as setting up or investing in a subsidiary, which requires RBI approval). Further, the RBI Master Circular of July 1, 2015 sets forth prudential norms required to be followed for classification, valuation and operation of investment portfolio of banking companies.

#### **Applications by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

#### **Applications under Power of Attorney**

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of Rs 250 million (subject to applicable law) and pension funds with a minimum corpus of Rs 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form. Failing this, our Company and reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Applications by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form.

- b) With respect to Applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Application Form.
- c) With respect to Applications made by provident funds with a minimum corpus of Rs 250 million (subject to applicable law) and pension funds with a minimum corpus of Rs 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form.
- d) With respect to Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form.
- e) Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application form, subject to such terms and conditions that our Company and the Lead Manager may deem fit.

**The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and Applicants are advised to ensure that any single Application from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.**

#### **General Instructions**

##### **Do's:**

- 1) Check if you are eligible to apply as per the terms of this Draft Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- 2) Read all the instructions carefully and complete the Application Form in the prescribed form;
- 3) Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
- 4) Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary;
- 5) If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder.  
Ensure that you have mentioned the correct bank account number in the Application Form;
- 6) Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
- 7) Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
- 8) Ensure that you request for and receive a stamped acknowledgement of your Application;
- 9) Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective

member of the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);

10) Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;

11) Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

12) Ensure that the Demographic Details are updated, true and correct in all respects;

13) Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

14) Ensure that the category and the investor status is indicated;

15) Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;

16) Ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

17) Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;

18) Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;

19) Ensure that you have mentioned the correct ASBA Account number in the Application Form;

20) Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;

21) Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and

22) The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

- 1) Do not apply for lower than the minimum Application size;
- 2) Do not apply at a Price different from the Price mentioned herein or in the Application Form;
- 3) Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
- 4) Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
- 5) Do not submit the Application Forms to any non-SCSB bank or our Company;
- 6) Do not apply on a Application Form that does not have the stamp of the relevant Designated Intermediary;
- 7) Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- 8) Do not apply for a Application Amount exceeding M 200,000 (for Applications by Retail Individual Applicants);
- 9) Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
- 10) Do not submit the General Index Register number instead of the PAN;
- 11) Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
- 12) Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
- 13) Do not submit a Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- 14) Do not apply if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
- 15) Do not submit more than five Application Forms per ASBA Account;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Issuance of a Confirmation of Allocation Note ("CAN") and Allotment in the Issue**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

## **Payment instructions**

The entire issue price of Rs. 50 per Equity Share is payable on Application. In case of allotment of lesser number of Equity Shares than the number applied, then the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Applicants shall specify the bank account details in the Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal / rejection of the application or receipt of instructions from the Registrar to unblock the Application Amount. However, Not Retails Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instruction to the SCSBs to unblock the application money in the relevant back account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public issue Account, or until withdrawal / failure of the Issue or until rejection of the application, as the case may be.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept application forms.

## **Electronic Registration of Applications**

- 1) The Application Collecting Intermediary will register the applications using the on-line facilities of the Stock Exchange.
- 2) The Application Collecting Intermediary will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of the next Working day from the Issue Closing Date.
- 3) The Application Collecting Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them, (iii) the applications accepted but not uploaded by them or (iv) In case the applications accepted and uploaded by any Application Collecting Intermediary other than SCSBs, the Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
- 4) Neither the Lead Manager nor the Company, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the applications accepted by any Application Collecting Intermediaries, (ii) the applications uploaded by any Application Collecting Intermediaries or (iii) the applications accepted but not uploaded by the Application Collecting Intermediaries.
- 5) The Stock Exchange will Issue an electronic facility for registering applications for the Issue. This facility will be available at the terminals of the Application Collecting Intermediaries and their authorised agents during the Issue Period. On the Issue Closing Date, the Application Collecting Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange.

6) With respect to applications by Applicants, at the time of registering such applications, the Application Collecting Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:

- Name of the Applicant;
- IPO Name;
- Application Form Number;
- Investor Category;
- PAN Number
- DP ID & Client ID
- Numbers of Equity Shares Applied for;
- Amount;
- Location of the Banker to the Issue or Designated Branch, as applicable;
- Bank Account Number and
- Such other information as may be required.

7) In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above mentioned details and mentioned the bank account number, except the Electronic Application Form number which shall be system generated.

8) The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof or having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Application Collecting Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.

9) Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.

10) The Application Collecting Intermediaries shall have no right to reject the applications, except on technical grounds.

11) The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way deemed or construed to mean the compliance with various statutory and other requirements by our Company and / or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness or any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus; not does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.

12) The Application Collecting Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the PAN No., DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with the Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.

13) The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for ASBA Applicants.

### **Allocation of Equity Shares**

- 1) The Issue is being made through the Fixed Price Process wherein upto 54,000 Equity Shares shall be reserved for the Market Maker. upto 5,08,500 Equity Shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from the Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on a proportionate basis to Non Retail Applicants.
- 2) Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- 4) In terms of SEBI Regulations, Non Retail Applicants shall not be allowed to either withdraw or lower the size of their application at any stage.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, our Company shall, after registering the Prospectus with the RoC, publish a pre-issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one regional language daily newspaper, each with wide circulation. In the pre- issue advertisement, we shall state the Issue Opening Date and the Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

### **Signing of the Underwriting Agreement and the RoC Filing**

- a) Our Company, the Lead Manager and the Market Maker have entered into an Underwriting Agreement on [\*].
- b) For terms of the Underwriting Agreement please see chapter titled “General Information” beginning on page no 54 of this Draft Prospectus.
- c) We will file a copy of the Prospectus with the RoC in terms of Section 32 of the Companies Act.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application Form, name and address of the SCSB / Designated Intermediary, where the Application was submitted and bank account number in which the amount equivalent to the Application Amount was blocked.

Applicants can contact the Compliance Officer or the Registrar in case of any pre-issue or post-issue related problems such as non-receipt of letters of Allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Applications submitted to the Designated Branches of the SCSBs, the Applicants can contact the Designated Branches of the SCSBs.

## **Impersonation**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below: "Any person who:

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447"

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

## **Undertaking by our Company**

We undertake the following:

- 1) If our Company does not proceed with the Issue after the Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 2) If our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
- 3) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- 4) All steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Issue Closing Date;
- 5) The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
- 6) Allotment will be made or the application money will be refunded within Six Working Days from the Issue Closing Date or such lesser time as specified by SEBI;
- 7) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 8) The certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time;
- 9) No further Issue of Equity Shares shall be made till the Equity Shares offered through this Issue Document are listed or until the Application monies are refunded on account of non-listing, under-subscription etc;

- 10) Adequate arrangements shall be made to collect all Application Forms and
- 11) That we 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.

#### **Utilization of Issue Proceeds**

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act, 2013;
- 2) Details of all monies utilized out of the Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

## **PART B**

### **General Information Document for Investing in Public Issues**

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Issue.

#### **SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)**

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, and on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations, 2009”).

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus (“RHP”) / Prospectus filed by the Issuer with the Registrar of Companies (“RoC”). Bidders/Applicants should carefully read the entire RHP / Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the

RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Issue and on the website of Securities and Exchange Board of India ("SEBI") at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may see "*Glossary and Abbreviations*".

## **SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs**

### **2.1 Initial public offer (IPO)**

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

### **2.2 Further public offer (FPO)**

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

### **2.3 Other Eligibility Requirements:**

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 (the "SCRR"), industry-specific regulations, if any, and other applicable laws for the time being in force. For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

### **2.4 Types of Public Issues - Fixed Price Issues and Book Built Issues**

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process ("Book Built Issue") or undertake a Fixed Price Issue ("Fixed Price Issue"). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre- Issue advertisement was given at least five Working Days before the Bid/ Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/ Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

## 2.5 ISSUE PERIOD

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/ Issue Period. Details of Bid/ Issue Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/ Issue Period may be extended by at least three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

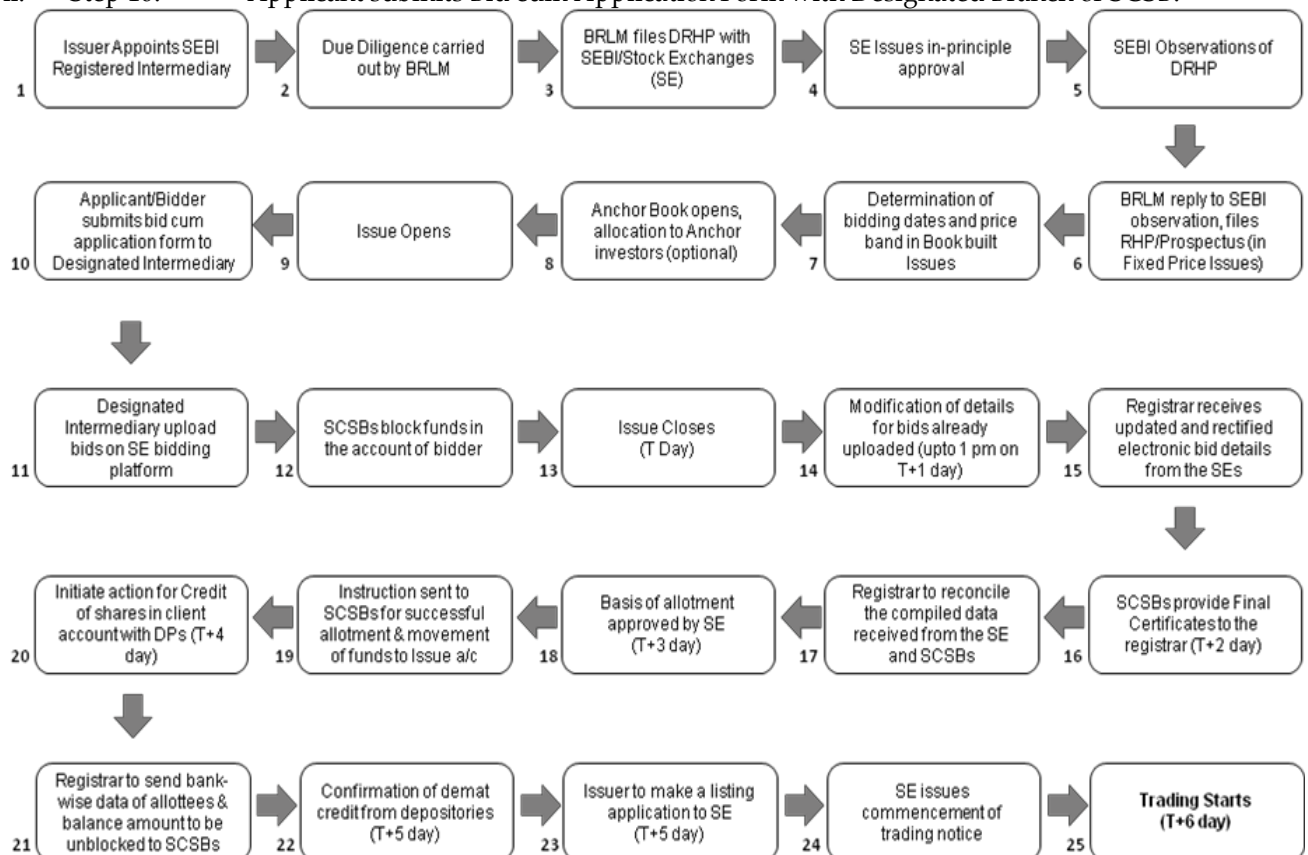
## 2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs:

In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

i. Step 7 : Determination of Issue Date and Price

ii. Step 10: Applicant submits Bid cum Application Form with Designated Branch of SCSB.



### SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

*Each Bidder/Applicant should check whether it is eligible to apply under applicable law.* Furthermore, certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals Bidding only under the Non Institutional Investors ("NIIs") category;
- FPIs other than Category III foreign portfolio investors, Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

## SECTION 4: APPLYING IN THE ISSUE

**Book Built Issue:** Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of a member of the Syndicate or any other Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the Book Running Lead Managers, the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/ Issue Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

**Fixed Price Issue:** Applicants should only use the specified cum Application Form bearing the stamp of an SCSB as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

Securities issued in an IPO can only be in dematerialized form in accordance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

### 4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP/ Prospectus and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Bid cum Application Form and sample are provided below.

A sample Bid cum Application Form is reproduced below:

	<b>Bid cum Application Form No.</b>
--	-------------------------------------

<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b>
		Mr./Ms. _____
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>PSKROW BANK/SCSB BRANCH STAMP &amp; CODE</b>	Address _____
		Email _____
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	Tel. No (with STD code) / Mobile _____
		<b>2. PAN OF SOLE / FIRST BIDDER</b>

For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID			
<b>3. CATEGORY</b>			
<input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non-Bidder <input type="checkbox"/> QIB			
<b>4. (OR) Option 2</b>		<b>Bid Price</b>	<b>Retail Discount</b>
<b>(OR) Option 3</b>		<b>Net Price</b>	<b>'Cut-off' (Penny/tick)</b>

<b>7. PAYMENT DETAILS</b>		<b>PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/></b>
Amount paid (₹ in figures)		(₹ in words) _____
ASBA Bank A/c No.		
Bank Name & Branch		

I/WE (ON BEHALF OF JOINT APPLICANTS IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ANNEXURE PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVITING IN PUBLIC ISSUE (GID) AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF I/WE (ON BEHALF OF JOINT APPLICANTS IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

<b>8A. SIGNATURE OF SOLE/ FIRST BIDDER</b>	<b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	
	I/We authorize the SCSB to debit all sums required for making Application to the law.	
	1) _____	
	2) _____	
	3) _____	

<b>LOGO</b>	<b>XYZ LIMITED</b> <b>INITIAL PUBLIC ISSUE - R</b>	<b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>	<b>Bid cum Application Form No.</b>
<b>DPID / CLID</b>			<b>PAN of Sole / First Bidder</b>

<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	<b>No. of Equity Shares</b>	<b>Question 1</b>	<b>Question 2</b>	<b>Question 3</b>	
	<b>Bid Price</b>				
	<b>Amount Paid (₹)</b>				
					<b>Acknowledgement Slip for Bidder</b>

PLEASE FILL IN BLOCK LETTERS

TEAR

#### 4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE / FIRST BIDDER / APPLICANT

a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid cum Application Form/Application Form may be used to dispatch communications (including letters notifying the unblocking of the bank accounts of Bidders/Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids/Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of subsection (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who:*

- *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

#### 4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER/APPLICANT

- a) PAN (of the sole/first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("PAN Exempted Bidders/Applicants"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- d) Bid cum Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- e) Bids/Applications by Bidders whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

#### 4.1.3 FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS

- a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**
- b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- c) Bidders/Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Issue.
- d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

#### 4.1.4 FIELD NUMBER 4: BID OPTIONS

- a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/ Issue Opening Date in case of an IPO, and at least one Working Day before Bid/ Issue Opening Date in case of an FPO.
- b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details Bidders may refer to (Section 5.6 (e))
- c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs 10,000 to Rs. 15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.
- e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may refer to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

##### 4.1.4.1 MAXIMUM AND MINIMUM BID SIZE

- a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed Rs 2,00,000.
- b) In case the Bid Amount exceeds Rs. 2,00,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount), then such Bid may be rejected if it is at the Cut-off Price.
- c) For NRIs, a Bid Amount of up to Rs. 2,00,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding Rs 2,00,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- d) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds Rs. 2,00,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cut off Price.
- e) RII may revise or withdraw their bids until Bid/ Issue Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.

f) In case the Bid Amount reduces to Rs. 2,00,000 or less due to a revision of the Price Band, Bids by the Non- Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

g) For Anchor Investors, if applicable, the Bid Amount shall be least Rs. 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.

h) A Bid cannot be submitted for more than the Issue size.

i) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

j) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e))

#### **4.1.4.2 MULTIPLE BIDS**

a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:

1) All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

2) For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

c) The following Bids may not be treated as multiple Bids:

- 1) Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the issue portion in public category.
- 2) Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
- 3) Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
- 4) Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

#### **4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS**

- a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, NIIs and QIBs.
- b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.
- c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.
- d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

#### **4.1.6 FIELD NUMBER 6: INVESTOR STATUS**

- a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.
- c) Bidders/Applicants should check whether they are eligible to apply on non -repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

#### **4.1.7 FIELD NUMBER 7: PAYMENT DETAILS**

- a) The full Bid Amount (net of any Discount, as applicable) shall be blocked based on the authorisation provided in the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- b) Bidders who Bid at Cut-off Price shall deposit the Bid Amount based on the Cap Price.
- c) All Bidders (except Anchor Investors) can participate in the Issue only through the ASBA mechanism.
- d) Bid Amount cannot be paid in cash, through money order or through postal order.

##### **4.1.7.1 Instructions for Anchor Investors:**

- a) Anchor Investors may submit their Bids with a Book Running Lead Manager.
- b) Payments should be made either by RTGS, NEFT or cheque/ demand draft drawn on any bank (including a co- operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Anchor Investor Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- c) If the cheque or demand draft accompanying the Bid cum Application Form is not made favoring the Escrow Account, the Bid is liable to be rejected.
- d) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.
- e) Anchor Investors are advised to provide the number of the Anchor Investor Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

##### **4.1.7.2 Payment instructions for Bidders (other than Anchor Investors)**

- a) Bidders may submit the Bid cum Application Form either
  - 1) in physical mode to the Designated Branch of an SCSB where the Bidders/Applicants have ASBA Account, or
  - 2) in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
  - 3) in physical mode to any Designated Intermediary.

- b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- f) Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified Locations. Bidders should also note that Bid cum Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- g) Bidders bidding through a Registered Broker, RTA or CDP should note that Bid cum Application Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers, RTA or CDP, as the case may be, to deposit Bid cum Application Forms.
- h) Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.
- l) Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.
- m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### **4.1.7.2.1 Unblocking of ASBA Account**

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/ Issue Closing Date.

#### **4.1.7.3 Discount (if applicable)**

- a) The Discount is stated in absolute rupee terms.
- b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.
- c) The Bidders entitled to the applicable Discount in the Issue may block an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

#### **4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- a) Only the First Bidder/ Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/ Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- b) If the ASBA Account is held by a person or persons other than the Bidder/Applicant, then the Signature of the ASBA Account holder(s) is also required.
- c) The signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.
- d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and/or ASBA Account holder is liable to be rejected.

#### 4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

- a) Bidders should ensure that they receive the Acknowledgement Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Bid cum Application Form.
- b) All communications in connection with Bids/Applications made in the Issue should be addressed as under:
  - 1) In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity Sshares, refund orders, the Bidders/Applicants should contact the Registrar to the Issue.
  - 2) In case of Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.
  - 3) In case of queries relating to uploading of Bids by a Syndicate Member, the Bidders/Applicants should contact the relevant Syndicate Member.
  - 4) In case of queries relating to uploading of Bids by a Registered Broker, the Bidders/Applicants should contact the relevant Registered Broker
  - 5) In case of Bids submitted to the RTA, the Bidders/Applicants should contact the relevant RTA.
  - 6) In case of Bids submitted to the DP, the Bidders/Applicants should contact the relevant DP.
  - 7) Bidder/Applicant may contact our Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Issue.
- c) The following details (as applicable) should be quoted while making any queries –
  - 1) full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application;
  - 2) name and address of the Designated Intermediary, where the Bid was submitted; or
  - 3) In case of Bids other than from Anchor Investors, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.
  - d) In case of Anchor Investor bids cheque or draft number and the name of the issuing bank thereof.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

#### 4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

- a) During the Bid/ Issue Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- b) RII may revise their bids or withdraw their Bids till the Bid/ Issue Close Date.
- c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

d) The Bidder/Applicant can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:



TEAR HERE

<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b>			
		Mr./Ms. _____			
		Address _____			
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>ESCROW BANK/SCSB BRANCH STAMP &amp; CODE</b>	Email _____			
		Tel. No (with STD code) / Mobile _____			
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	<b>2. PAN OF SOLE / FIRST BIDDER</b>			
		_____			
		<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL			
		_____			
		For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID			

PLEASE CHANGE MY BID												
4. FROM (AS PER LAST BID OR REVISION)												
Bid Options	No. of Equity Shares Bid (Bid: must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)			
	(In Figures)								(In Figures)			
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)
Option 1											<input type="checkbox"/>	
(OR) Option 2											<input type="checkbox"/>	
(OR) Option 3											<input type="checkbox"/>	
5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")												
Bid Options	No. of Equity Shares Bid (Bid: must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)			
	(In Figures)								(In Figures)			
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)
Option 1											<input type="checkbox"/>	
(OR) Option 2											<input type="checkbox"/>	
(OR) Option 3											<input type="checkbox"/>	

<b>6. PAYMENT DETAILS</b>										PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>	
Additional Amount Paid (₹ in figures) _____										(₹ in words) _____	

<b>ASBA</b>	Bank A/c No. _____
	Bank Name & Branch _____

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ABBRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GIDI") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.

<b>7A. SIGNATURE OF SOLE / FIRST BIDDER</b>	<b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)</b>	<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the name	
	1) _____	
	2) _____	
	3) _____	
Date : _____		

<b>XYZ LIMITED</b>	<b>Acknowledgement Slip for Broker/SCSB/ DP/RTA</b>
REVISION FORM - INITIAL PUBLIC ISSUE - R	

<b>PAN of Sole / First Bidder</b>									
_____									

_____									
_____									
_____									

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

#### **4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3. 4.2.2

#### **FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.

b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.

c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed M 200,000. In case the Bid Amount exceeds M 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.

d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds M 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.

e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of Bidders.

#### **4.2.3 FIELD 6: PAYMENT DETAILS**

a) All Bidders/Applicants are required to make payment of the full Bid Amount (less Discount, if applicable) along with the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

b) Bidder/Applicant may Offer instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds Rs. 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

#### **4.2.4 FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

#### **4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

##### **4.3.1 FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

##### **4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

a) The Issuer may mention Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).

b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Manager to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of 10,000 to 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed Rs. 200,000.

d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds Rs. 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

e) An application cannot be submitted for more than the Issue size.

- f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
- 1) All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/ Applicant and may be rejected.
  - 2) For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- i) The following applications may not be treated as multiple Bids:
- 1) Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Issue portion in public category.
  - 2) Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
  - 3) Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its subaccounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

#### **4.3.3 FIELD NUMBER 5 : CATEGORY OF APPLICANTS**

- a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

#### **4.3.4 FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

#### 4.3.5 FIELD 7: PAYMENT DETAILS

- a) All Applicants (other than Anchor Investors) are required to make use ASBA for applying in the Issue
- b) Application Amount cannot be paid in cash, through money order, cheque or through postal order or through stock invest.

##### 4.3.5.1 Payment instructions for Applicants

- a) Applicants may submit the Application Form in physical mode to the Designated Intermediaries.
- b) Applicants must specify the Bank Account number in the Application Form. The Application Form submitted by an Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- f) Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- j) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

#### 4.3.5.2 Unblocking of ASBA Account

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.
- b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within six Working Days of the Issue Closing Date.

#### 4.3.5.3 Discount (if applicable)

- a) The Discount is stated in absolute rupee terms.
- b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.
- c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

#### 4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

#### 4.4 SUBMISSION OF BID CUM APPLICATION FORM/REVISION FORM/APPLICATION FORM

##### 4.4.1 Bidders/Applicants may submit completed Bid cum application form/Revision Form in the following manner:-

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	<ul style="list-style-type: none"> <li>To the Book Running Lead Managers at the Specified Locations mentioned in the Bid cum Application Form</li> </ul>
All Applications (other than Anchor Investors)	<ul style="list-style-type: none"> <li>To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the DP at the Designated DP Location</li> <li>To the Designated Branches of the SCSBs where the ASBA Account is maintained</li> </ul>

Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.

- b) Upon submission of the Bid cum Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.
- c) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

## **SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/ Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

### **5.1 SUBMISSION OF BIDS**

- a) During the Bid/ Issue Period, Bidders/Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.
- b) In case of Bidders/Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

### **5.2 ELECTRONIC REGISTRATION OF BIDS**

- a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- b) On the Bid/ Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/ Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

### **5.3 BUILD UP OF THE BOOK**

- a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/ Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/ Issue Period.

### **5.4 WITHDRAWAL OF BIDS**

- a) RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

### **5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS**

- a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:
  - 1) the Bids accepted by the Designated Intermediaries,
  - 2) the Bids uploaded by the Designated Intermediaries, and
  - 3) the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.
- b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

### 5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/ Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various placed in this GID:-

- a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- b) Bids/Applications by OCBs; and
- c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted along with the Bid cum application form/ Application Form;
- e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- f) Bids/Applications by persons in the United States excluding persons who are a U.S. QIB (as defined in this Draft Red Herring Prospectus);
- g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- h) PAN not mentioned in the Bid cum Application Form/Application Form, except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- j) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- k) Bids/Applications at a price less than the Floor Price and Bids/Applications at a price more than the Cap Price;
- l) Bids/Applications at Cut-off Price by NIIs and QIBs;
- m) The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/ Applied for;
- n) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- o) Submission of more than five Bid cum Application Forms/ Application Form as through a single ASBA Account;

- p) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- q) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- r) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/ Issue Opening Date advertisement and as per the instructions in the RHP/ Prospectus and the Bid cum Application Forms;
- s) Inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid/Application Amount in the bank account;
- t) In case of Anchor Investors, Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- u) Where no confirmation is received from SCSB for blocking of funds;
- v) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;
- w) Bids/Applications submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;
- x) Bids/Applications not uploaded on the terminals of the Stock Exchanges; and
- y) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

## **5.6 BASIS OF ALLOCATION**

- a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP/Prospectus.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP/ Prospectus.
- d) Illustration of the Book Building and Price Discovery Process Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of M 20 to M 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (M)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., M 22.00 in the above example. The Issuer, in consultation with the BRLMs, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below M 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

#### e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding ("**Alternate Book Building Process**").

The Issuer may specify the Floor Price in the RHP/ Prospectus or advertise the Floor Price at least one Working Day prior to the Bid/ Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

## **SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE**

**Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue.** As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the Application Form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("**ASBA Account**"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net issue to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the **GID**.

## SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### 7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("**Maximum RII Allottees**"). The Allotment to the RIIs will then be made in the following manner:

- a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

### 7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

### 7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP/Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;

b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

#### 7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer in consultation with BRLMs, subject to compliance with the following requirements:

- 1) not more than 60% of the QIB Category will be allocated to Anchor Investors;
- 2) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
- 3) allocation to Anchor Investors shall be on a discretionary basis and subject to:
  - a maximum number of two Anchor Investors for allocation up to Rs. 10 crores;
  - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than Rs. 10 crores and up to Rs. 250 crores subject to minimum Allotment of Rs. 5 crores per such Anchor Investor; and
  - a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than Rs. 250 crores, and an additional 10 Anchor Investors for every additional Rs. 250 crores or part thereof, subject to minimum Allotment of Rs. 5 crores per such Anchor Investor.

b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

c) **In the event that the Issue Price is higher than the Anchor Investor Issue Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

d) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

## **7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE**

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- a) Bidders may be categorized according to the number of Equity Shares applied for;
- b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and
- f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

## **7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES**

- a) Designated Date: On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP/Prospectus. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.

b) Issuance of Allotment Advice: Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.

c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/ Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment.

## **SECTION 8: INTEREST AND REFUNDS**

### **8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/ Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with CDPs, and dispatch the Allotment Advice within six Working Days of the Bid/ Issue Closing Date.

### **8.2 GROUNDS FOR REFUND**

#### **8.2.1 NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than Rs. 5 lakhs but which may extend to Rs. 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than M 50,000 but which may extend to Rs. 3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Bidders/Applicants.

If such money is not refunded to the Bidders within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

### 8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any Issue for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/ Issue Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Issue is in the nature of Issue for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Issue, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay or unblock the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

### 8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

### 8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

## 8.3 MODE OF REFUND

a) **In case of Bids/Applications (other than Anchor Investors):** Within six Working Days of the Bid/ Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/Application and also for any excess amount blocked on Bidding/Application.

b) **In case of Anchor Investors:** Within six Working Days of the Bid/ Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.

c) In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories, the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

### 8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

- a) **NEFT** - Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- b) **Direct Credit** - Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- c) **RTGS** - Anchor Investors having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers, etc. Anchor Investors may refer to RHP/Prospectus.

### 8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 working days of the Bid/ Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made.

## SECTION 9: GLOSSARY AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	An Bidder/ Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Invest or Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009 and the Red Herring Prospectus/ Prospectus.

Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by Bidders/Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the Bidder/Applicant
Banker(s) to the Issue / Escrow Collection Bank(s) / Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) for Anchor Investors may be opened ,and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue
Bid	An indication to make an Issue during the Bid/ Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/ Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications there to. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant up on submission of the Bid(except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid/ Issue Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language news paper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/ Issue Closing Date
Bid/ Issue Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/ Issue Opening

Bid/ Issue Period	Except in the case of Anchor Investors(if applicable),the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Issue Period for QIBs one working day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/ Issue Period
Bid cum Application Form	An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Bidder/Applicant	Any prospective investor who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant
Book Built Process / Book Building Process / Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s) / Book Running Lead Manager(s) / Lead Manager / LM	The Book Running Lead Manager to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays)
CAN / Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Issue Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price

DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (exc Anchor Investor) and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the Bid cum Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries / Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Issue
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the Bid cum Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus

Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may issue cheques or demand drafts or transfer money through NEFT or RTGS in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue / Fixed Price Process / Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account

NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than M 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholders.
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price The Issue Price may be decided by the Issuer and in consultation with the Book Running Lead Manager(s)
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer and in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation

Pricing Date	The date on which the Issuer and in consultation with the Book Running Lead Manager(s), finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Buyers or QIBs Institutional	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus / RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three working days before the Bid/ Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through Direct Credit, NEFT, RTGS or ASBA, as applicable
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue /RTO	The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category / Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Investors/RIIs Individual	Investors who applies or bids for a value of not more than M 200,000(including HUFs applying through their karta and eligible NRIs and does not include NRIs other than Eligible NRIs.
Retail Shareholders Individual	Shareholders of a listed Issuer who applies or bids for a value of not more than M 200,000.

Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders, including ASBA Bidders, in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/">http://www.sebi.gov.in/</a> and updated from time to time
Stock Exchanges / SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of Bid cum Application Forms by Syndicate Members
Syndicate Member(s) / SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	Any day, other than 2nd and 4th Saturday of the month, Sundays or public holidays, on which commercial banks in Mumbai are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, "Working Days" shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP"), issued Circular 1 of 2015 ("Circular 1 of 2015"), which with effect from May 12, 2015, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on May 11, 2015. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, Circular 1 of 2015 will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment ("FDI") Policy and transfer does not attract the provisions of the Takeovers Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

There is no reservation for non-residents, NRIs, Eligible FPIs, foreign venture capital funds, multilateral and bilateral development financial institutions and any other foreign investor. All non-residents, NRIs, Eligible FPIs and foreign venture capital funds, multilateral and bilateral development financial institutions and any other foreign investor applicants will be treated on the same basis with other categories for the purpose of allocation.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be "qualified institutional investors" (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A under the Securities Act or other applicable exemption under the Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where such offers and sales occur.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Bidders are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.

## SECTION IX - MAIN PROVISION OF THE ARTICLES OF ASSOCIATION

*Pursuant to Schedule II of the Companies Act, the SEBI ICDR Regulations, the main provisions of the Articles of Association relating, inter alia to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that the each provision herein below is numbered as per the corresponding article number in the Articles of Association. Certain defined terms used in the Articles of Association are set forth below. All other defined terms used in this section have the meaning given to them in the Articles of Association.*

### 2. 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.

### 3. 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 VEERAM ORNAMENTS LIMITED.

**# Adoption of New Set of Article of Association, vide resolution passed in Extra Ordinary General Meeting of members of the company held on 24.06.2016.**

- (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) <b>“The Managing Director”</b>	“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) <b>“The Office”</b>	“The Office” means the Registered Office for the time being of the Company.
(l) <b>“Capital”</b>	“Capital” means the share capital for the time being raised or authorised to be raised, for the purpose of the Company.
(m) <b>“The Registrar”</b>	“The Registrar” means the Registrar of Companies of the State in which the office of the Company is for the time being situated.
(n) <b>“Dividend”</b>	“Dividend” includes Bonus.
(o) <b>“Month”</b>	“Month” means the calendar month.
(p) <b>“Seal”</b>	“Seal” means the Common Seal for the time being of the Company.
(q) <b>“In Writing and Written”</b>	“In Writing and Written” include printing, lithography and other modes of representing or reproducing words in a visible form.
(r) <b>“Plural Number”</b>	Words importing the singular number also include the plural number and vice versa.
(s) <b>“Persons”</b>	“Persons” include corporations and firms as well as individuals.
(t) <b>“Gender”</b>	Words importing the masculine gender also include the feminine gender.
(u) <b>“Securities &amp; Exchange Board of India”</b>	“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) <b>“Year and Financial Year”</b>	“Year” means the Calendar year and “Financial Year” shall have the meaning assigned thereto by Section 2(41) of the Act.
<b>Expression in the Act to bear same meaning in the Articles</b>	Save as aforesaid, any words or expressions defined in the Act shall, except where the subject or context forbids, bear the same meaning in these Articles.
<b>Marginal Notes</b>	The marginal notes hereto shall not affect the construction of these Articles.

#### **COPIES OF MEMORANDUM AND ARTICLES TO BE FURNISHED BY THE COMPANY**

4. 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 Rs. 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 effected 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 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 DEMATERIALIZE AND REMATERIALIZE**

- (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"

### **DEMATERIALIZATION 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 is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of 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 subdivided.

### **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 Rs.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 Rs.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 be bound to follows 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,
- a. 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 the 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 of, 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 effected 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 of 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:
- a. five members personally present if the number of members as on the date of meeting is not more than one thousand; or
  - b. 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
  - c. 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 or proportion of the votes cast in favor 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 124.

### **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 office 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 notarially 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 ANY VOTE**

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.
- 1) As on the date of adoption of this Articles of Association, following are the directors of the company:
- 1. RAKSHIT MAHENDRA SHAH**
  - 2. PINAL RAKSHITBHAI SHAH**
  - 3. MAHENDRABHAI RAMNIKLAL SHAH**

#### **BOARD OF DIRECTORS**

135. **The following shall be the First Directors of the Company.**
- 1. ASHWINKUMAR RASIKLAL SHAH**
  - 2. RAKSHIT MAHENDRA SHAH**
  - 3. NILAMBEN ASHWINKUMAR 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 authorises 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) 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-
- (i) 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;
  - (ii) 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;
  - (iii) he is not qualified or is disqualified for appointment;
  - (iv) a resolution, whether special or ordinary, is required for his appointment or re-appointment by virtue of any provisions of this Act; or
  - (v) 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

#### 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 recognizing 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. 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:
- (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.

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.

### **POWER TO BORROW**

173. 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.
174. 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**

175. 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**

176. 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**

177. 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**

178. 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

179. (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.
- (1) No company shall issue any debentures carrying any voting rights.
  - (2) Secured debentures may be issued by a company subject to such terms and conditions as may be determined by central government.
  - (3) 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.
  - (4) 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.
  - (5) A debenture trustee shall take steps to protect the interests of the debentureholders and redress their grievances in accordance with such rules as may be determined by central government.
  - (6) 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 threefourths in value of the total debentures at a meeting held for the purpose.
  - (7) A company shall pay interest and redeem the debentures in accordance with the terms and conditions of their issue.
  - (8) 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.
  - (9) 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.
  - (10) 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.

- (11) 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.
- (12) 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**

180. 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**

181. 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 charges upon all or any part of the property of the Company including its uncalled capital or not so charges.
  - 4) To secure the fulfillment of any contracts, agreements or engagements entered into by the Company by mortgage of 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 Director 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 or 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 or 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. [check drafting]

#### **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 send 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 of 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:
- (a) all sums of money received and expended by a company and matters in relation to which the receipts and expenditure take place;
  - (b) all sales and purchases of goods and services by the company;
  - (c) the assets and liabilities of the company; and
  - (iii) 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 at least 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 holder 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:
- Register of investments made by the Company but not held in its own name, as required by Section 187(3) of the Act.
  - Register of mortgages and charges as required by Section 85 of the Act.
  - 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

### SECURITY 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 presents 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 IX - OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected on working days between 10.00 a.m. to 5.00 p.m. at the Registered Office of our Company located at Shop No. 2, Naroda Pride, Nr. Padmavati Society, Naroda-Nikol Road, Ahmedabad - 382350, Gujarat, from date of filing the Draft Prospectus with RoC till the Offer Closing Date.

#### Material Contracts

- 1) Issue Agreement dated 22<sup>nd</sup> August, 2016 between our Company and the Lead Manager to the issue.
- 2) Memorandum of Understanding dated 22<sup>nd</sup> August, 2016 between our Company and the Registrar to the Offer.
- 3) Underwriting Agreement dated [●] between our Company, the Lead Manager and Underwriter.
- 4) Market Making Agreement dated [●] between our Company, Lead Manager and Market Maker.
- 5) Tripartite agreement amongst the NSDL, our Company and the Registrar to the Offer dated [●]
- 6) Tripartite agreement amongst the CDSL, our Company and the Registrar to the Offer dated [●]
- 7) Escrow Agreement dated [●] between our Company, the Lead Manager, Banker(s) to the Offer/ Escrow Collection Bank(s) and the Registrar to the Offer.

#### Material Documents

- 1) Certified copies of updated Memorandum and Articles of Association of our Company as amended from time to time.
- 2) Certificates of Incorporation dated 15<sup>th</sup> April, 2011, 26<sup>th</sup> February 2014, 10<sup>th</sup> June, 2016 and 26<sup>th</sup> July, 2016.
- 3) Copy of resolution passed at the Meeting of the Board of Directors of our Company dated 1<sup>st</sup>, August, 2016 authorizing the Offer.
- 4) Special Resolution of the shareholders passed at the Extra Ordinary General Meeting dated 11<sup>th</sup> August, 2016, authorizing the Issue.
- 5) Copies of Annual reports of the Company for the years ended 31<sup>st</sup> March, 2016, 2015, 2014, 2013 and 2012 and for the period ended 30<sup>th</sup> June, 2016.
- 6) Consents of our Directors, Company Secretary & Compliance Officer, the Lead Manager, the Registrar to the Offer, the Auditors to the Company (Peer Reviewed Auditor), the Legal Advisor to the Offer, Banker(s) to the Company, Market Maker(s), Underwriter(s), Refund Bank(s) and the Banker(s) to the Offer/ Escrow Collection Bank(s) to act in their respective capacities.

- 7) Statement of Tax Benefits dated 25<sup>th</sup> August, 2016, issued by Statutory Auditors, M/S Dhaval Padiya & Company, Chartered Accountants.
- 8) Resolution for appointment of Managing Director and executive Director
- 9) Report of the Peer Review Auditors, M/S Devpura Navlakha & Company, Chartered Accountants dated 17<sup>th</sup> August, 2016 on the Restated Financial Statements for the Financial Year ended as on March 31, 2016, 2015, 2014, 2013, 2012 and for the period ended 30<sup>th</sup> June, 2016 of our Company.
- 10) Copy of approval from BSE vide letter dated [●], to use the name of BSE in this offer document for listing of Equity Shares on SME Platform of BSE.
- 11) Due Diligence Certificate dated 25<sup>th</sup> August, 2016 from the Lead Manager to BSE.
- 12) Due Diligence Certificate dated [●] from the Lead Manager to SEBI.

Any of the contracts or documents mentioned in the Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We, hereby certify and declare that, all the relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by the 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 Draft Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, each as amended or rules made there under or guidelines and regulations issued, as the case may be. We further certify that all the disclosures and statements made in this Draft Prospectus are true and correct.

Signed by Directors, Chief Financial Officer and Company Secretary & Compliance Officer of our Company

Mahendrabhai Ramniklal Shah Managing Director	Sd/-
Rakshit Mahendra Shah Executive Director	Sd/-
Pinal Rakshitbhai Shah Non Executive & Non Independent Director	Sd/-
Shankar Prasad Bhagat Non Executive & Independent Director	Sd/-
Manoharbai Bharatbhai Chunara Non Executive & Independent Director	Sd/-
Chirag Champaklal Valani Chief Financial Officer	Sd/-

Signed by Company Secretary & Compliance Officer

Sd/-  
Ms. Noopur Prakash Jain