



S K Masala and Foods Limited

Our Company was incorporated as 'S.K. Masala and Foods Limited' on March 03, 2017 as a public limited company under Part IX of the Part I of Chapter XXI of the Companies Act, 2013, with the Registrar of Companies, Ahmedabad (the "RoC") bearing registration no. 096061. The corporate identity number of our Company is U15549GJ2017PLC096061. For further details, see "History and Certain Corporate Matters" on page 40.

Tel.: 0261-6512511; Website: www.skmasala.com; E-Mail: info@skmasala.com
Company Secretary and Compliance Officer: Ms. Nanda Mundra

PROMOTERS OF THE COMPANY: MR. BARKATALI KAMRUDDIN PANJWANI

PUBLIC ISSUE OF 35,07,000 EQUITY SHARES OF FACE VALUE OF RS.10 EACH OF S K MASALA AND FOODS LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE (THE "ISSUE PRICE") AGGREGATING TO RS. [●] ("THE ISSUE"), OF WHICH 1,77,000 EQUITY SHARES OF FACE VALUE OF RS. [●] EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF [●] PER EQUITY SHARE AGGREGATING TO RS. [●] WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. NET ISSUE OF 33,30,000 EQUITY SHARES OF FACE VALUE OF 10 EACH AT A PRICE OF RS. [●] PER EQUITY SHARE AGGREGATING TO RS. [●] IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 40.28% AND 38.25% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

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

For further details see "*Terms of the Issue*" beginning on page 212 of this Draft Red Herring Prospectus.

All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") as per the SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. For further details, please refer to section titled "*Issue Procedure*" beginning on page 222 of this Draft Red Herring Prospectus. In case of delay, if any in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE.

RISK IN RELATION TO THE FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the securities of our Company. The face value of the shares is Rs.10.00 per Equity Shares and the Issue price is [●] times of the face value. The Issue Price (as determined by our Company in consultation with the Book Running Lead Manager) as stated in the chapter titled on "*Basis for Issue Price*" beginning on page 69 of the Draft Red Herring 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 Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled "*Risk Factors*" beginning on page 15 of this Draft Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring 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 Red Herring 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 Red Herring 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 the Draft Red Herring Prospectus are proposed to be listed on SME Platform of BSE Limited ("BSE SME"). In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, our Company has received an observation letter dated [●] from BSE for using its name in this offer document for listing our shares on the SME Platform of BSE Limited. For the purpose of this Issue, the designated Stock Exchange will be the BSE Limited ("BSE").

BOOK RUNNING LEAD MANAGER



GRETEX CORPORATE SERVICES PRIVATE LIMITED

Office No. 13, 1st Floor, New Bansilal Building, Raja Bahadur Mansion,
 9-15, HomiModi Street, Fort, Mumbai – 400023

Tel: +91-22-40025273; **Fax:** +91-22-40025273

Website: www.gretexcorporate.com

Email / Investor Grievance Id: info@gretexgroup.com

Contact Person: Mr. Manish Tejwani/ Ms. Kinnari Mehta

SEBI Registration No: INM000012177

REGISTRAR TO THE ISSUE



KARVY COMPUTERSHARE PRIVATE LIMITED

Address: Karvy Selenium Tower- B, Plot 31-32, Gachibowli,
 Financial District, Nanakramguda, Hyderabad 500 032

Tel No: +91 40 – 6716 2222

Fax No: +91 402343 1551

Website: www.karisma.karvy.com

Email Id: einward.ris@karvy.com

Investor Grievance Id: seslipo@karvy.com

Contact Person: M. Murli Krishna

SEBI REGN NO: INR000000221

ISSUE PROGRAMME

ISSUE OPENS ON: [●]

ISSUE CLOSES ON: [●]

PARTICULARS	PAGE
SECTION I: GENERAL	
DEFINITIONS AND ABBREVIATIONS	2
CURRENCY CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY PRESENTATION	12
FORWARD LOOKING STATEMENTS	14
SECTION II: RISK FACTORS	
RISK FACTORS	15
SECTION III: INTRODUCTION	
SUMMARY OF INDUSTRY	33
SUMMARY OF OUR BUSINESS	34
SUMMARY OF FINANCIAL INFORMATION	36
THE ISSUE	39
GENERAL INFORMATION	40
CAPITAL STRUCTURE	50
SECTION IV: PARTICULARS OF THE ISSUE	
OBJECTS OF THE ISSUE	61
BASIC TERMS OF THE ISSUE	67
BASIS FOR ISSUE PRICE	69
STATEMENT OF POSSIBLE TAX BENEFITS	72
SECTION V: ABOUT THE COMPANY AND THE INDUSTRY	
OUR INDUSTRY	74
OUR BUSINESS	92
KEY REGULATIONS AND POLICIES	106
OUR HISTORY AND CERTAIN CORPORATE MATTERS	111
OUR MANAGEMENT	115
OUR PROMOTERS AND PROMOTER GROUP	127
GROUP ENTITIES OF OUR COMPANY	130
RELATED PARTY TRANSACTIONS	131
DIVIDEND POLICY	132
SECTION VI: FINANCIAL INFORMATION	
FINANCIAL STATEMENTS	133
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS	160
STATEMENT OF FINANCIAL INDEBTEDNESS	178
SECTION VII: LEGAL AND OTHER INFORMATION	
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS	181
GOVERNMENT AND OTHER APPROVALS	190
OTHER REGULATORY AND STATUTORY DISCLOSURES	196
SECTION VIII: ISSUE INFORMATION	
TERMS OF THE ISSUE	212
ISSUE STRUCTURE	219
ISSUE PROCEDURE	222
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES	274
SECTION IX: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION	
MAIN PROVISIONS OF ARTICLES OF ASSOCIATION	275
SECTION X: OTHER INFORMATION	
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	323
DECLARATION	324

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviation which, unless the context otherwise indicates or implies, shall have the respective meanings given below. References to statutes, regulations, rules, guidelines and policies will be deemed to include all amendments and modifications thereto.

All references to “Our Company”, “we”, “our”, “us” or “S.K.Masala”, a Company incorporated under the Companies Act, 2013 and having its Registered Office at Atlanta Enterprise, 2nd Floor, SHOP-43, Moje, Althan, Bhimrad Canal Road, Surat-395017, Gujarat, India

The words and expression used in this Draft Red Herring Prospectus, but not defined herein, shall have the same meaning ascribed to such terms under the SEBI (ICDR) Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder as the case may be. Notwithstanding the foregoing, the terms not defined but used in the sections titled “*Statement of Tax Benefits*”; “*Financial Statements*”; “*Outstanding Litigation and Material Developments*”; and “*Main Provisions of Articles of Association*” beginning on pages 72,133,181 and 275 respectively, shall have the meanings ascribed to such terms in these respective sections.

Unless the context otherwise indicates or implies, the following terms shall have the meanings provided below in this Draft Red Herring Prospectus, and references to any statute or regulations or policies will include any amendments or re-enactments thereto, from time to time. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

COMPANY RELATED TERMS

Term	Description
Articles/ Articles of Association/ AoA	The articles of association of our Company, as amended
Audit Committee	Audit Committee of our Company constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013
Auditor/ Statutory Auditor	The statutory auditors of our Company, being D M Ghewala, Chartered Accountants.
Banker to our Company	Punjab National Bank, as disclosed in the section titled “ <i>General Information</i> ” beginning on page 40 of this Draft Red Herring Prospectus
Board of Director(s)/the Board/our Board/ Director(s)	The director(s) on our Board, unless otherwise specified. For further details of our Directors, please refer to section titled “ <i>Our Management</i> ” beginning on page 115 of this Draft Red Herring Prospectus.
Equity Listing Agreement/ Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our company and the SME Platform of BSE Limited.
Equity Shares	The equity shares of our Company of face value of `10 each, fully paid-up, unless otherwise specified in the context thereof
Equity Shareholders	Persons/ Entities holding Equity Shares of Our Company.
Group Companies/ Entities	The companies included under the definition of “ <i>Group Companies</i> ” under the SEBI (ICDR) Regulations and identified by the Company in its Materiality Policy. For further details, please refer to section titled “ <i>Group Entities of Our Company</i> ” beginning on page 130 of this Draft Red Herring Prospectus.
Key Managerial Personnel/ KMP	The key management personnel of our Company in terms of the SEBI (ICDR) Regulations and the Companies Act, 2013 disclosed in section titled “ <i>Our Management</i> ” beginning on page 115 of this Draft Red Herring Prospectus.
Materiality Policy	The policy on determination of materiality, by our Board on September 17, 2017, in accordance with the requirements Regulation 30 of the SEBI (ICDR) Regulations.

Term	Description
Memorandum/ Memorandum of Association/ MoA	The memorandum of association of our Company, as amended
Nomination and Remuneration Committee	The nomination and remuneration committee of our Company, as disclosed in “Our Management” on page 115 of this Draft Red Herring Prospectus.
Peer Review Auditor	Independent Auditor having a valid Peer Review certificate in our case being D V Barfiwala & Co
Promoters	The promoter of our Company being: 1. Mr. Barkatali Kamruddin Panjwani For further details, please refer to section titled “ <i>Our Promoters and Promoter Group</i> ” beginning on page 127 of this Draft Red Herring Prospectus.
Promoter Group	Includes such persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI (ICDR) Regulations and as disclosed under section titled “ <i>Our Promoters and Promoter Group</i> ” beginning on page 127 of this Draft Red Herring Prospectus.
Registered Office	Atlanta Enterprise, 2 nd Floor, Shop-43, Moje, Althan, Bhimrad Canal Road, Surat-395017, Gujarat, India
Restated Financial Statement	Audited Financial Statements for the Financial Years ended March 31, 2017, 2016, 2015, 2014 and 2013 as restated in accordance with SEBI (ICDR) Regulations, comprises of (i) Financial Information as per Restated Summary Financial Statements and (ii) Other Financial Information.
RoC/ Registrar of Companies	Registrar of Companies, Ahmedabad, Gujarat, ROC Bhawan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpur, Ahmedabad – 380 013, Gujarat, India

ISSUE RELATED TERMS

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
Allot/ Allotment/ Allotted of Equity Shares	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the transfer of the respective portion of the Issued Shares by Company pursuant to the Issue of the Equity Shares to the successful Bidders.
Allocation/ Allotment of Equity Shares	The transfer of the Equity Shares pursuant to the Issue to the successful Bidders.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges.
Allottee (s)	A successful bidder (s) to whom the Equity Shares are being/ have been issued /allotted.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by all Bidders to make an application authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB. Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors can apply through ASBA process.
ASBA Account	Account maintained by an ASBA bidders/Investors with a SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Bidder/Investor.
ASBA Application Location (s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad, Nagpur, Bangalore, Hyderabad and Pune.
ASBA Bid	A Bid made by an ASBA Bidder

Term	Description
ASBA Bidder(s)	Any Bidder in the Issue who intends to submit a Bid.
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Draft Red Herring Prospectus and the Prospectus
Basis of Allotment	The basis on which the Equity Shares will be Allotted as described in the section titled “ <i>Issue Procedure</i> ” - Basis of Allotment beginning on page 222 of this Draft Red Herring Prospectus.
Bid(s)	An indication to make an Issue during the Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form to subscribe for or purchase our Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under SEBI ICDR Regulations.
Bid Amount	The highest value of the optional Bids as indicated in the Bid-cum-Application Form and payable by the Bidder upon submission of the Bid in this Issue.
Bid Cum Application Form	The form in terms of which the Bidder shall make a Bid and which shall be considered as the application for the Allotment pursuant to the terms of the Draft Red Herring Prospectus and the Prospectus.
Bid Lot	[●]
Bid/Issue Closing Date	The date on which the Designated Intermediaries shall not accept Bids for the Issue, which shall be published by our Company in all editions of [●] (a widely circulated English national newspaper) and all editions of [●] (a widely circulated Hindi national newspaper, and the [●] edition of [●] (a widely circulated regional language in the place where our Registered is located)
Bid/ Issue Opening Date	The date on which the Designated Intermediaries shall start accepting Bids for the Issue, which shall be published by our Company in all edition of [●] (a widely circulated English national newspaper) and all editions of [●] (a widely circulated Hindi national newspaper and the [●] edition of [●] (a widely circulated regional language in the place where our Registered is located)
Bid/Issue Period	The period between the Bid/Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof.
Bidding Centers	Centers at which the Designated Intermediaries shall accept the Bid cum Application Forms, i.e, Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process/ Book Building Method	The book building route as provided under Schedule XI of the SEBI (ICDR) Regulations, 2009, in terms of which this Issue is being made.
Broker Centres	Broker centres notified by the Stock Exchanges, where the Bidders can submit the Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of the BSE on the following link:- http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3
BRLM / Book Running Lead Manager	Book Running Lead Manager to the Issue, in this case being Gretex Corporate Services Pvt. Ltd.
Business Day	Monday to Friday (except public holidays)
BSE SME	The SME platform of BSE Limited, approved by SEBI as an SME Exchange for listing of equity shares issued under Chapter X-B of the SEBI ICDR Regulations
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock

Term	Description
	Exchange.
Cap Price	The higher end of the Price Band, in this case being [●] per Equity Share above which the Issue Price will not be finalized and above which no Bids will be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branches of SCSBs	Such branches of the SCSBs which co-ordinate Applications under this Issue made by the Bidders with the Book Running Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is provided on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Bidders such as their Address, PAN, Occupation and Bank Account details.
Designated Intermediaries /Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Application Forms from the Bidders, in relation to the Issue
Depository/ Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 as amended from time to time, being NSDL and CDSL.
Depository Participant/DP	A depository participant as defined under the Depositories Act, 1966.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the ASBA Applicant and a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.bseindia.com
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.bseindia.com
Designated Date	On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
Draft Red Herring Prospectus	The Draft Red Herring Prospectus dated September 29, 2017 issued in accordance with Section 32 of the Companies Act, 2013.
Designated Market Maker	GreteX Share Broking Private Limited formerly Known as Sherwood Securities Private Limited
Designated Stock Exchange	SME Platform of BSE Limited
DP	Depository Participant
DP ID	Depository Participant's Identity number.
Effective Date	The effective date is the term used in the business transfer agreement for taking over the assets and liabilities i.e. April 01, 2017
Eligible NRI(s)	NRI(s) from such jurisdiction outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom this Draft Red Herring Prospectus constitutes an invitation to subscribe for the Equity Shares Issued herein on the basis of the terms thereof
FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the Circular (CIR/CFD/DIL/12/2013) dated 23rd October, 2013, notified by SEBI read with SEBI Circular dated November 10, 2015 and bearing Reference No.

Term	Description
	CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors can apply through ASBA process.
ICDS	Income Computation and Disclosures Standards
Issue Price	The final price within the Price Band at which Offered Shares will be Allotted to successful Bidders in terms of the Red Herring Prospectus and this Draft Red Herring Prospectus.
Issue Proceeds	The proceeds of the Issue as stipulated by the Company. For further information about use of the Issue Proceeds please refer to section titled “ <i>Objects of the Issue</i> ” beginning on page 61 of this Draft Red Herring Prospectus.
Market Maker	Member Brokers of BSE who are specifically registered as Market Makers with the BSE SME Platform. In our case, Gretex Share Broking Private Limited, Market Maker to the Issue.
Market Making Agreement	The Market Making Agreement dated September 27, 2017 between our Company and Market Maker Gretex Share Broking Private Limited
Market Maker Reservation Portion	The reserved portion of 1,77,000 Equity Shares of `10.00 each at an Issue Price of `[●] each to be subscribed by Market Maker.
MOU/ Issue Agreement	The Memorandum of Understanding/Issue Agreement dated September 27, 2017 between our Company and Book Running Lead Manager.
Mutual Fund(s)	Mutual fund (s) registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of up to 33,30,000 equity shares of face value `10.00 each of S. K. Masala and Foods Limited for cash at a price of `[●] per Equity Share (the “Issue Price”), including a share premium of `[●] per equity share aggregating up to `[●] Lakh.
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company.
Non Institutional Investors or NIIs	All Bidders, including sub-accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for Equity Shares for an amount of more than ` 2 Lakh (but not including NRIs other than Eligible NRIs)
Overseas Corporate Body / OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB’s) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Other Investors	Investors other than Retail Individual Investors. These include individual Bidders other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Payment through electronic means	Payment through NECS, NEFT, or Direct Credit, as applicable.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust, or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Prospectus	The Prospectus, to be filed with the RoC in accordance with the provisions of Section 32 of the Companies Act, 2013.
Public Issue Account	The Bank Account opened with the Banker(s) to this Issue [●] under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the ASBA Bidders on the Designated Date.
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations.
Red Herring Prospectus or RHP	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act 2013 and the SEBI ICDR Regulations, which will not have complete particulars of the price

Term	Description
	at which the Equity Shares shall be Allotted and which shall be registered with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus after filing with the RoC after the Pricing Date, including any addenda or corrigendum thereto.
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar / Registrar to this Issue /RTI	Registrar to the Issue being Karvy Computershare Private Limited.
Registrar Agreement	The agreement dated April 29, 2017, entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar pertaining to the Issue.
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIBs bidding in the QIB Portion and NIIs bidding in the Non-Institutional Portion are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Retail Individual Investors/RIIs	Individual Bidders or minors applying through their natural guardians, (including HUFs in the name of Karta and Eligible NRIs) who have applied for an amount less than or equal to `2 Lakh in this Issue.
Self Certified Syndicate Bank(s) or SCSB(s)	Banks registered with SEBI, Issuing services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html
Specified Locations	The Bidding centres where the Syndicate accepted ASBA Forms from Bidders.
SME Exchange	The SME Platform of the BSE i.e BSE SME
SME Platform	The SME Platform of BSE i.e. BSE SME for listing equity shares Issued under Chapter XB of the SEBI ICDR Regulation which was approved by SEBI as an SME Exchange.
Syndicate Agreement	The agreement to be entered into among the members of the Syndicate, our Company in relation to the collection of Bids in the Issue (other than Bids directly submitted to the SCSBs under the ASBA process or to Registered Brokers at the Broker Centres)
Syndicate Members	Intermediaries registered with SEBI and permitted to carry out activities as an underwriter, in this case being [●]
Syndicate or members of the Syndicate	Collectively, the BRLM and the Syndicate Members
Underwriters	Gretex Corporate Dervices Private Limited and [●]
Underwriting Agreement	The agreement between our Company and the Underwriters, to be entered into on or after the Pricing Date.
Working Days	All days, other than second and fourth Saturday of a month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

Conventional and General Terms

Term	Description
ACIT	Assistant Commissioner of Income Tax
AIF(s)	The alternative investment funds, as defined in, and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
Air Act, 1981	Air (Prevention and Control of Pollution) Act, 1981
Category I Foreign Portfolio Investor(s)	FPIs who are registered as "Category I foreign portfolio investor" under the SEBI FPI Regulations
Category II Foreign Portfolio Investor(s)	FPIs who are registered as "Category II foreign portfolio investor" under the SEBI FPI Regulations
Category III Foreign Portfolio Investor(s)	FPIs who are registered as "Category III foreign portfolio investor" under the SEBI FPI Regulations
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder
Companies Act/ Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made thereunder
Competition Act	The Competition Act, 2002
Consolidated FDI Policy	Consolidated FDI Policy (Circular 1 of 2015) dated May 12, 2015 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
CST Act	Central Sales Tax Act, 1956
FCNR Account	Foreign currency non-resident account
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2000
FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations.
Financial Year/ Fiscal Year/ Fiscal Year/ F.Y.	Period of twelve (12) months ended March 31 of that particular year, unless otherwise stated
Foreign Portfolio Investor or FPI	Foreign Portfolio Investors, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India.
FVCI	Foreign Venture Capital Investor, registered under the FVCI Regulations
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
Hazardous Waste Rules, 2008	Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008
Income Tax Act or the I.T. Act	The Income Tax Act, 1961
Ind AS	New Indian Accounting Standards notified by Ministry of Corporate Affairs on February 16, 2015, applicable from Financial Year commencing April 1, 2016 as amended.
LLP Act	The Limited Liability Partnership Act, 2008
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Government as having come into effect prior to the date of this Draft Red Herring Prospectus
NRE Account	Non-resident external account
NRO Account	Non-resident ordinary account
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 was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA
RBI Act	Reserve Bank of India Act, 1934

Term	Description
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI (LODR) Regulations/ SEBI Listing Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	The erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996
Securities Act	U.S. Securities Act of 1933, as amended
State Government	The government of a state of the Union of India
STT	Securities Transaction Tax
Sub-account	Sub-accounts registered with SEBI under the SEBI FII Regulations other than sub-accounts which are foreign corporates or foreign individuals
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI VCF Regulations
Water Act, 1974	Water (Prevention and Control of Pollution) Act, 1974
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(zn) of SEBI Regulations

Technical and Industry related terms

Term	Description
ARMs	Additional Revenue Measures
CAGR	Compound Annual Growth Rate
CapEx	Capital Expenditure
CPI	Consumer price index
CSO	Central Statistics Office
DIPP	Department of Industrial Policy and Promotion
FDI	Foreign Direct Investment
FOB	Freight On Board
GDP	Gross Domestic Product
GVA	Gross value added
HVI	High Volume Instrument
IIP	Index of Industrial Production
IPS Scheme 2007	Package Scheme of Incentives 2007
Kg/kgs	Kilogram(s)
KVA	Kilo-volt-ampere (a unit of apparent power)
MAI	Market Access Initiative
MDA	Market Development Assistance
MoU	Memorandum of Understanding

Term	Description
NER	North East Region
Sq. ft	Square feet
WEO	World Economic Outlook
WPI	Wholesale Price Index

General terms/ Abbreviations

Term	Description
` or Rs. or Rupees or INR	Indian Rupees
AGM	Annual General Meeting
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
A.Y.	Assessment year
BC	Before Christ
BPLR	Bank Prime Lending Rate
BSE	BSE Limited
CAGR	Compounded annual growth rate
CARO	Companies (Auditor's Report) Order, 2003
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CIN	Corporate Identity Number
CLB	Company Law Board
CrPC	Criminal Procedure Code, 1973, as amended
CSR	Corporate Social Responsibility
DIN	Director Identification Number
DP ID	Depository participant's identification
ECS	Electronic Clearing System
EBITDA	Earnings before Interest, Tax Depreciation and Amortisation
EGM	Extraordinary General Meeting of the Shareholders of the Company
EPS	Earnings Per Share
ESOS	Employee Stock Option Scheme
FDI	Foreign direct investment
FIPB	Foreign Investment Promotion Board
GAAR	General anti avoidance rules
GIR	General index register
GoI/ Government	Government of India
HNI	High Net worth Individual
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
ISO	International Organization for Standardization
IT Act	The Income Tax Act, 1961, as amended
IT Rules	The Income Tax Rules, 1962, as amended
JV	Joint Venture
MCA	Ministry of Corporate Affairs, Government of India
MoU	Memorandum of understanding
N.A.	Not Applicable
NAV/ Net Asset Value	Net asset value being paid up equity share capital plus free reserves (<i>excluding reserves created out of revaluation</i>) less deferred expenditure not written off (<i>including miscellaneous expenses not written off</i>) and debit balance of profit and loss account, divided by number of issued Equity Shares
NECS	National Electronic Clearing Services

Term	Description
NEFT	National Electronic Fund Transfer
NoC	No Objection Certificate
No.	Number
NR	Non-resident
NSDL	National Securities Depository Limited.
NTA	Net Tangible Assets
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit before tax
PCB	Pollution Control Board
P/E Ratio	Price per earnings ratio
Pvt.	Private
RBI	Reserve Bank of India
RoC	Registrar of Companies
RONW	Return on Net Worth
RTGS	Real time gross settlement
SCN	Show Cause Notice
SCSB	Self-certified syndicate bank
UIN	Unique identification number
US	United States
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value added tax
YoY	Year on Year

CURRENCY CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY PRESENTATION

Financial Data

Unless stated otherwise, the financial data in the Draft Red Herring Prospectus is derived from our audited financial statements for the financial years ended March 31, 2017; 2016; 2015; 2014 and 2013 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Indian GAAP which are included in the Draft Red Herring Prospectus, and set out in the section titled “*Financial Statement*” beginning on page 133 of the Draft Red Herring Prospectus. Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year are to the twelve-month period ended March 31 of that year. In the Draft Red Herring Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

In accordance with India’s roadmap for “Convergence of its existing standards with IFRS”, referred to as “**IND (AS)**”, as announced by the GoI, Ministry of Corporate Affairs (the “**MCA**”) through press note dated January 22, 2010, read with the Companies (Indian Accounting Standards) Rules, 2015 issued by the MCA on February 16, 2015, effective April 1, 2015, our annual and interim financial statements must be reported under IND (AS) for accounting periods commencing on or after April 1, 2016. Therefore, our annual and interim financial statements reported after April 1, 2016 will not be directly comparable to the Restated Financial Statements.

Pursuant to a SEBI circular dated March 31, 2016, with respect to financial information to be included in any offer document filed with SEBI on or after April 1, 2016 and until March 31, 2017, we have chosen to report our Restated Financial Statements, for the preceding five years, included in this Draft Red Herring Prospectus under Indian GAAP. Further, for risk in relation to IND (AS), see “*Risk Factor*” and “*Financial Statements*” for the preceding five years, on standalone, included in this Draft Red Herring Prospectus, has been prepared under IGAAP, which varies in certain respects from other accounting principles, including IND (AS), which may be material to investors’ assessment of our results of operations and financial condition on page 15 and 133 respectively. In order to comply with requirements applicable to public companies in India, subsequent to our Equity Shares being listed on the Stock Exchanges, we will be required to prepare our annual and interim financial statements under IND (AS), as applicable. IND (AS) is different in many respects from Indian GAAP under which our audited financial statements for statutory reporting purposes under the Companies Act have been prepared until Fiscal 2016. The preparation and presentation of our financial statements after listing may be not be comparable with, or may be substantially different from, the preparation and presentation of the Restated Financial Statement is being disclosed in this Draft Red Herring Prospectus.

There are significant differences between Indian GAAP and IND (AS). Accordingly, the degree to which the Restated Financial Statements included in this Draft Red Herring 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, IND (AS), the Companies Act and the SEBI ICDR Regulations, on the Restated Financial Statements presented in this Red Herring Prospectus should accordingly be limited. Although we have included a summary of qualitative and quantitative differences between Indian GAAP and IND (AS), our financial statements reported under IND (AS) in future accounting periods may not be directly comparable with our financial statements historically prepared in accordance with Indian GAAP, including disclosed in this Draft Red Herring Prospectus. You should consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in the sections/ chapters titled “*Risk Factors*”, “*Our Business*” and “*Management's Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page numbers 15, 92 and 160 respectively of the Draft Red Herring Prospectus and elsewhere in the Draft Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared

in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Indian GAAP.

Industry and Market Data

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

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

Currency and units of presentation

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

- 'Rupees' or '₹' or 'Rs.' or 'INR' are to Indian rupees, the official currency of the Republic of India.
- All references to the word 'Lakh' or 'Lac', means 'One hundred thousand' and the word 'Million' means 'Ten Lakh' and the word 'Crore' means 'Ten Million' and the word 'Billion' means 'One thousand Million'.

Industry and Market Data

- Unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus has been derived from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although, we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, neither we nor the Book Running Lead Manager nor any of their respective affiliates or advisors have prepared or verified it independently. The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.
- Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled "**Risk Factors**" beginning on 15 of this Draft Red Herring Prospectus. Accordingly, investment decisions should not be based on such information.
- In accordance with the SEBI (ICDR) Regulations, we have included in the section titled "**Basis for Issue Price**" beginning on page 69 of this Draft Red Herring Prospectus, information pertaining to the peer group entities of our Company. Such information has been derived from publicly available data of the peer group companies.

Exchange Rates

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

FORWARD LOOKING STATEMENTS

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

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

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

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 15, 92 and 160 of this Draft Red Herring Prospectus, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although our Company believes the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. None of our group entity, the Directors, the Book Running Lead Manager, or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. Our Company and the Directors will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

SECTION II – RISK FACTORS

RISK FACTORS

Any investment in equity securities involves a high degree of risk. You should carefully consider all of the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a more complete understanding, you should read this section together with Sections titled 'Our Business' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' beginning on pages 92 and 160 respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus.

Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Red Herring Prospectus, could have an adverse effect on our business, financial condition, results of operations and prospects and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or a part of your investment. The risks and uncertainties described in this Section are not the only risks that we may 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, financial condition and prospects.

This Draft Red Herring 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 Draft Red Herring 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 Offer 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 information in this Section is, unless otherwise stated, derived from our Restated Financial Statements prepared in accordance with Indian GAAP, as per the requirements of the Companies Act and SEBI ICDR Regulations. The risk factors have been determined on the basis of their materiality. Some events may not be material individually but may be found to be material collectively, some events may have a material impact qualitatively instead of quantitatively and some events may not be material at present but may have material impacts in the future.

INTERNAL RISKS

- 1. Our Company is currently involved in a tax related proceeding. Any adverse decision in such proceedings may render us liable to liabilities and may adversely affect our business, results of operations and financial condition.***

A notice of summons dated March 24, 2017 has been issued to M/s. S. Khushaldas and Co. (our Company) under sub-section (1A) of section 131 of the Income Tax Act, 1961 in connection with assessment proceedings. Further, our Company has received notices under Section 34(2)(a) of the Gujarat Value Added Tax Act, 2003 and Rule 9(4) of the Central Sales Tax(Gujarat), Rules, 1970 for audit assessment. Save and except the aforesaid, there are no other tax proceedings against our Company.

Mentioned below are the details of the aforesaid proceedings pending against our Company as on the date of this Draft Red Herring Prospectus along with the amount involved, to the extent ascertainable/quantifiable, based on the materiality policy for litigations, as approved by the Company in its Board meeting held on September 17, 2017.

S. No.	Nature of Matter	No. of Matters	Amount (to the extent quantifiable) (in Rs.)
1.	Assessment proceedings under Income Tax Act	1	10,000
2.	Audit assessment under Section 34(2)(a) of the Gujarat Value Added Tax Act, 2003	1	Not quantifiable
3.	Audit assessment under Rule 9(4) of the Central Sales Tax(Gujarat) Rules, 1970	1	Not quantifiable

There are no legal proceedings by or against our Directors and Promoters. However, there is no assurance that in future, we, our promoters or our directors may not face legal proceedings; any adverse decision in such legal proceedings may impact our business.

For further details, please refer to the chapter titled ‘Outstanding Litigations and Material Developments’ beginning on page no. 181 of this Draft Red Herring Prospectus.

- 2. We require a number of approvals, licenses, registrations and permits in the ordinary course of our business and are required to comply with certain rules, regulations and conditions to operate our business and failure to obtain, retain or renew such approvals and licenses in a timely manner or to comply with the requisite rules, regulations and conditions may adversely affect our operations.**

We require a number of approvals, licenses, registrations and permits in ordinary course of our business, some of which our Company has either received, applied for or is in the process of application. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals.

Further, due to changes in business module or expansion of our processing facilities we may be required to obtain certain additional government permits. Any failure to renew the approvals that have expired, or to apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, could result in delaying the operations of our business, which may adversely affect our business, financial condition, results of operation and prospects.

Our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business, financial condition, results of operations and prospects. We cannot assure you that the approvals, licenses, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action.

Further, some of our approvals are in the name of ‘M/s. S.K. Masala and Foods’ or ‘M/s. S. Khushaldas & Co.’ (former name of the Firm) and pursuant to the conversion of ‘M/s. S.K. Masala and Foods’ into our Company, the Company is yet to apply for change of name of all the approvals. We shall be taking necessary steps for transferring the approvals in name of our Company. In case we fail to transfer/obtain the same in name of the Company, same may adversely affect our business or we may not be able to carry our business. In the past, our Firm was carrying out manufacturing activities without having certain approvals/registrations/licenses such as factory license, central excise, employee state insurance registration and Contrat Labour Registration, etc

Our Company has applied for License to work as Factory (under the provisions of the Factories Act, 1948 read with Rule 5 of the Gujarat Factories Rule, 1963), Shops and Establishment License, Goods and Service Tax Registration [Provisional ID- 24AAYCS5136N1ZK] and Registration for Employees State Insurance (under Employees State Insurance Act, 1948). Our Company is yet to make an application for registration under Shops and establishment Act for the registered office of our Company. Our Company has applied for renewal of trademark mark registration no. 1604253 which is expired on September 21, 2017 vide reference no. A-1604253 dated September 19, 2017.

The material approvals, licenses or permits required for our business include FSSAI License, trade license, factory license, shops and establishment licenses, as applicable. See 'Government and other Statutory Approvals' on page 190 of this Draft Red Herring Prospectus for further details on the required material approvals for the operation of our business.

3. *We do not manufacture some of our products such as Atta, Ghee, Besan, Rava, Maida and Suji in our own capacity but outsource such manufacturing job to other entities.*

Our Company does not have its own manufacturing facility for manufacturing of Atta, Ghee, Besan, Rava, Maida and Suji and outsource such activities. Any decline in the quality of such products or delay in delivery of products by such parties, or rise in job work charges may adversely affect our operations. Further there can be no assurance that such parties shall continuously provide their services or would not cater to demand of competitors. Any withdrawal of services from such manufacturers or supply of services to competitors at better rates may adversely affect our result of operations and future prospects. Further we are also indirectly exposed to the risks, such third party manufacturers' faces and hence any interruptions in the manufacturing operations of such third parties on account of natural disasters, labour problems, machinery breakdowns, etc. may adversely affect our supply process and profit margins.

However if other entities started marketing of such products, in its own capacity, it may adversely affect our revenue from operations and financial results.

4. *Our indebtedness and the conditions and restrictions imposed by our financing arrangements could adversely affect our ability to conduct our business and operations.*

We have entered into agreement with bank for borrowings. Agreement contain restrictive covenants, including, but not limited to, requirements that we obtain written consent from lenders prior to issuing new shares, incurring further debt, creating further encumbrances on our assets, effecting any scheme of amalgamation or restructuring, undertaking guarantee obligations, declaring dividends, undertaking new projects or making investments. There can be no assurance that we will be able to comply with these covenants or that we will be able to obtain the consents necessary to take the actions we believe are required to operate and grow our business. Our loans may be called at any time by our lenders pursuant to terms of the relevant agreements. An event of default under any of these loan arrangements, if not cured or waived, could have a material adverse effect on us.

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

After completion of the Issue, our Promoter and Promoter Group will collectively hold 59.72% of the Equity Shares of the Company. As a result, our Promoters will be able to exercise a significant degree of influence over the over all the matters requiring shareholders' approval, including election of directors and approval of significant corporate transactions, in accordance with the provisions of Companies Act and our Articles of Association. For further details of Promoters' shareholding, please refer to Section titled 'Capital Structure' beginning on page 50 of this Draft Red Herring Prospectus.

6. *Our products are perishable in nature, any inability on our part to deliver our products at the right time in the markets could have a material adverse effect on our business, results of operation and financial condition.*

We are engaged in to manufacturing and supplying of spices and same has certain validity before which the same needs to be consumed. Hence, we have to ensure that right quantity and quality of our products reach the markets in a timely manner. Any interruption in supply of our products to the various markets, due to any reason including those not within our control, could have a material adverse effect on our business, results of operation and financial condition.

7. *If we are unable to successfully manage the introduction of new products, our business, operating cash flows and financial condition will be adversely affected.*

As we introduce new or enhanced products we face risks including among other things, disruption in customers ordering patterns, excessive or insufficient levels of existing product inventories, difficulties in ramping-up our arrangements, revenue deterioration in our existing product lines, insufficient supplies of new products to meet customers demand, possible product and technology defects and a potentially different sales and support environment. The development and commercialization process is both time consuming and capital intensive. We may focus our resources on technologies that do not become widely accepted or are not commercially viable. Further, any leak of information about new products or features or technologies prior to their launch may reduce the effectiveness of our product launches, reducing sales volumes of current products due to anticipated future products, making it more difficult to compete, shortening the exclusivity of our product innovation and/or increasing market expectations for the results of our new products before we have had an opportunity to demonstrate the market viability of such products. Our failure to manage the introduction of newer products will adversely affect our business, operating cash flows and financial condition.

8. *The success of processing of spices is dependent on the timely supply of raw materials to our processing unit, which are subject to various uncertainties and risks. We are dependent on third party suppliers and transport agencies, and our material prices are subject to fluctuations.*

We are dependent on third-party vendors for supply of raw materials for further processing to finished products. We do not have long-term contracts with any of our third party vendors for supply of raw materials. We are significantly dependent on the timely and adequate availability of raw materials. Any adverse factors including natural disasters, changes in legislation or any other force majeure events may adversely impact availability of raw materials which may adversely affect our ability to meet client commitments and consequently our sales and profitability. We endeavor to have contractual protection against price fluctuations in raw materials from the quoted price vis-à-vis the price when the actual order is placed, we cannot assure that the contractual protection would be adequate to mitigate of impact of fluctuations in the intermittent period between the submission of bid/quotation and the date of actual order. It is also critical for us that our suppliers adhere to the quality standards and product specifications that have been furnished to them by us, and failure by them to adhere to the same would adversely affect the quality and/or timely delivery of our products. In the event we become subject to product liability or performance guarantees caused by defective materials obtained from an outside supplier it may adversely affect our reputation as a supplier, financial condition and results of operations.

9. *Rise in Input Costs may affect our profitability.*

The input costs of the products of the Company may increase due to various reasons. In case the Company is not able to pass on such increase to the consumers because of competition or otherwise, it may affect the profitability of the Company.

10. *Our inability to manage inventory in an effective manner could adversely impact our business operations.*

Our business involves significant inventory levels based on present and future order books. If we underestimate the orders to be received, we may experience inventory shortages. Similarly, an overestimation of orders may

result in over stocking of inventory leading to increased cost. Any mismanagement on our part to handle inventory levels may impact our business and financial operations.

11. 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 industry in which we operate faces competitive pressures in recruiting and retaining skilled and unskilled labour. We take labour on daily basis and there is no labour contract being entered into. Our industry being labour intensive is highly dependent on labour force for carrying out its business 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 to our business operations due to disputes or other problems with our work force in the past; 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.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

12. Our business is dependent on a continuing relationship with our clients/customers.

We are engaged into business of processing of herbs and spices. Our business is therefore significantly dependent on developing and maintaining relationships with various customers. Our business will be adversely affected if we are unable to develop and maintain relationships with our clients/customers. The loss of clients/customers may have a material adverse effect on our operations.

13. Our business is dependent on our processing unit for few products. The loss of or shutdown of operations of our processing unit may have a material adverse effect on our business, financial condition and results of operations.

Our spices processing unit is subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, lock-outs, earthquakes and other natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. The occurrence of any of these risks could significantly affect our operating results. We carry out planned shutdowns for maintenance. Although we take precautions to minimize the risk of any significant operational problems at our facilities, our business, financial condition and results of operations may be adversely affected by any disruption of operations at our facilities, including due to any of the factors mentioned above.

14. Any defect in title/ ownership of owner (s) (including the Promoters/ Promoter Group), from whom the Company has bought space/ taken space on lease, may adversely affect the operations of the Company resulting in loss of business

With a view to expand the Company's business, the Company has acquired/ taken on lease and license basis various properties and entered into various contractual agreements with third parties. Any defect in the title/ ownership of such third parties with whom the Company has entered into such agreements may adversely affect the operations of the Company resulting in loss of business.

15. *Certain Agreements in relation to our immovable Properties may be inadequately stamped or may not have been registered as a result of which our title to such properties may be faulty*

Few of our agreements may not be stamped adequately or registered. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying differential stamp duty and/or penalty for inadequate stamping. The effect of non-registration of an instrument is that the title to the property does not transfer in favor of the transferee and therefore, making the instrument unenforceable. Any potential dispute due to non-compliance of local laws relating to stamp duty and registration may adversely impact the operations of our Company.

16. *We do not own the registered office of the Company. Any dispute in relation to lease of our premises may have an adverse effect on our business and results of operations.*

We do not own the registered office from which we operate. The said office has been taken on license and in case of non-renewal or termination of such leave and license agreement or renewal on such terms and conditions that are unfavourable to our Company, we may suffer disruption in our operations which may affect our financial conditions. For further details regarding our registered office, please refer to the Section titled 'Our Business' and 'History and Corporate Information' beginning on pages 92 and 111 of this Draft Red Herring Prospectus.

Any failure to renew the leave and license agreement could force us to procure new premises, including substantial time and cost of relocation or procure new premises. Any of the aforesaid could have an adverse effect on our business, results of operation and financial condition.

17. *Land on which our existing manufacturing facility is located is not owned by us. In the event, we are unable to renew the rent/leave and license agreements, or if such agreements are terminated, we may suffer a disruption in our operations.*

Our Company does not own the land on which our manufacturing facilities are located. The land has been taken on lease from Plot No:-5921, Sachin, GIDC, Surat, Gujarat, India. If we do not comply with certain conditions of the lease, it may lead to termination of the lease which would have an adverse effect on our operations and there can be no assurance that renewal of lease agreement will be entered into. In the event of non-renewal of lease, we may be required to shift our manufacturing facility to a new location and there can be no assurance that the arrangement our Company enter into in respect of new premises would be on such terms and conditions as the present one. For details on properties taken on lease by us please refer to the Section titled 'Our Business' beginning on page 92 of this Draft Red Herring Prospectus.

18. *We are dependent on the services of our Promoter, Mr. Barkatali Kamruddin Panjwani, our directors and the key members of our management team. Any loss of their services may impair our ability to operate effectively and may have an adverse impact on our business and financial condition.*

Our success depends largely on the continued services of Mr. Barkatali Kamruddin Panjwani, Promoter and Managing Director of our Company. He has well experience in the food processing business. He plays a major role in providing vision, leadership and strategic guidance to us. As a Promoter, he has substantial responsibilities for strategizing our growth. The loss of the services of Mr. Barkatali Kamruddin Panjwani may have an adverse effect on our business, financial condition and results of operations. Additionally, we are also dependent on our key management personnel, to manage current operations, develop new projects and meet future business challenges. Attracting and retaining top quality managerial talent is essential for our continued growth. If any of our key management personnel are unable or unwilling to continue in their present positions or we are unable to find qualified persons for any of these positions, our business could be adversely affected.

19. *Our business also depends on the performance of our Franchisee cum Distributor. Any non-performance by these may adversely affect our business operations, profitability and cash flows.*

Our business also depends on the performance of our Franchisee cum distributor, who may be responsible for selling our products to end users at domestic levels. As on the date of the Draft Red Herring Prospectus, we have 6 (six) Franchisee in various part of Gujarat and in process of entering with few more Franchisee agreement. We can give no assurance that the performance of such franchisee will meet our required specifications or performance parameters.

Such franchisee are independent third parties over which we do not have control. Additionally, we do not have any non-compete agreement with such franchisee and in the event that such franchisee enter into agreements with competitors, we may not be able to take any course of action.

Similarly, we are restricted from directly involving ourselves in marketing services in certain cities where these distributors are located. As a result, our growth, results of operations and the integrity of our brand name in these areas is dependent on the performance of these franchisee. Moreover, there can be no assurance that our franchisee will be able to generate adequate revenue consistently, and we may be exposed to credit risks associated with non-payment or untimely payments from our franchisee.

20. *In addition to normal remuneration or benefits and reimbursements of expenses, some of our Promoters, Directors and KMPs are interested in our Company to the extent of their shareholding and dividend entitlement in our Company and as creditors of the Company.*

Our Promoters, Directors and Key Managerial Personnel are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our Directors and Key Managerial Personnel may also be interested to the extent of their shareholding and dividend entitlement in our Company. For further information, see 'Capital Structure' and 'Our Management' beginning on pages 50 and 115 of Draft Red Herring Prospectus.

21. *Our operations are considerably located in Gujarat and failure to expand our operations may restrict our growth and adversely affect our business.*

Currently, we are carrying our business mainly in the Gujarat and hence our major revenues are generated from operations in these regions only. Geographical and functional expansion of our business domain requires establishment of adequate network. As we seek to diversify our regional focus, we may face the risk that our competitors may be better known in other markets, enjoy better relationships with customers. Our lack of exposure in geographical boundaries outside our operating regions could impact our future revenues, our operating results and financial conditions.

22. *The improper handling, processing or storage of our raw materials or products, or spoilage of and damage to such raw materials and products, or any real or perceived contamination in our products, could subject us to regulatory action, damage our reputation and have an adverse effect on our business, results of operations and financial condition.*

All the products that we manufacture are for human consumption and are subject to risks such as contamination, adulteration and product tampering during their manufacture, transport or storage. Although all our raw materials and finished products are extensively tested at our facilities, we cannot assure you that the quality tests conducted by us will be accurate at all times. Also certain of our raw materials and our products are required to be stored, handled and transported at specific temperatures and under certain food safety conditions. Any shortcoming in the production or storage of our products due to negligence, human error or otherwise, may damage our products and result in non-compliance with applicable regulatory standards. Any allegation that our products contain contaminants could damage our reputation, adversely affect our sales and result in legal proceedings being initiated against us, irrespective of whether such allegations have any factual basis. We cannot assure you that we will not be subject to such product liability claims in the future and we currently carry no products liability

insurance with respect to our products. Should any of our products be perceived or found to be contaminated, we may be subject to regulatory action, product recalls and our reputation, business, results of operations and financial condition may be adversely affected. Although we attempt to maintain quality standards, we cannot assure that all our products would be of uniform quality, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity

23. *Delay in raising funds from the IPO could adversely impact the implementation schedule.*

The proposed fund requirement of working capital, as detailed in the section titled "*Objects of the Issue*" is to be partly funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute our future plans/strategy within the given timeframe.

24. *Our operations are subject to high working capital requirements. Our inability to maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet requirement of working capital or pay out debts, could adversely affect our operations.*

Our business requires significant amount of working capital and major portion of our working capital is utilized towards debtors and inventories. We have not been sanctioned any working capital and funding the same through the internal sources only. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations.

25. *Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised, and may be subject to change based on various factors, some of which are beyond our control.*

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions, and have not been appraised by any bank or financial institution or another independent agency. Furthermore, in the absence of such independent appraisal, our funding requirements may be subject to various factors which are beyond our control and the approval of shareholders by passing special resolution pursuant to Section 27 of the Companies Act, 2013 through postal ballot or subject to an authority given by the Company in general meeting by way of special resolution. For further details, please see the section titled "*Objects of the Issue*" beginning on page 61 of this Draft Red Herring Prospectus.

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

We were not a listed Company and have not, historically, been subjected to 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. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies which may adversely effect the financial position of our Company.

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

As per SEBI (ICDR) Regulations, 2009, as amended, appointment of monitoring agency is required only for Issue size above Rs. 10,000 Lakh. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SME Listing Agreement. Further, our Company shall inform about material deviations in the utilization

of Issue proceeds to the BSE Limited and shall also simultaneously make the material deviations/ adverse comments of the audit committee public.

28. *Any disruption in our information technology systems may adversely affect our business, results of operations and prospects.*

We rely heavily on our information technology systems in connection with enrolments and student identification, accounting, distribution in our publication and content development business and the general running of our day-to-day business. As our operations grow in size and scope, we must continuously upgrade our systems and infrastructure, while maintaining the reliability and integrity of our systems and infrastructure in a cost-effective manner.

29. *Third party industry and statistical data in this Draft Red Herring Prospectus may be incomplete, incorrect or unreliable.*

Neither the Book Running Lead Manager nor the Company have independently verified the data obtained from the official and industry publications and other sources referred in this Draft Red Herring Prospectus and therefore, while we believe them to be true, there can be no assurance that they are complete or reliable. Such data may also be produced on different bases from those used in the industry publications we have referenced. The discussion of matters relating to India, its economy and our industry in this Draft Red Herring Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data or report and do not take responsibility for any errors or omissions or for the results obtained from using their data or report. Accordingly, investors should not place undue reliance on, or base their investment decision on this information, please refer to section titled "***Our Industry***" beginning on page 74 of this Draft Red Herring Prospectus.

30. *We cannot assure you that our equity shares will be listed on the SME platform of BSE Limited in a timely manner or at all, which may restrict your ability to dispose of the equity shares.*

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain any in-principle approval for listing of our Equity Shares issued. We have only applied to BSE Limited to use its name as the Stock Exchange in this Offer Document for listing our Equity Shares on the SME Platform of BSE Limited. Permission for listing of the Equity Shares will be granted only after the Equity Shares offered in this Issue have been allotted. Approval from BSE Limited will require all relevant documents authorizing the issuing of the Equity Shares to be submitted to it. There could be a failure or delay in listing the Equity Shares on the SME Platform of BSE. Further, certain procedural and regulatory requirements of SEBI and the Stock Exchanges are required to be completed before the Equity Shares are listed and trading commences. Trading in the Equity Shares is expected to commence within 6 Working Days from the Issue closing Date. However, we cannot assure you that the trading in the Equity Shares will commence in a timely manner. Any failure or delay in obtaining the approvals would restrict your ability to dispose off your equity shares.

31. *If we are unable to source business opportunities effectively, we may not achieve our financial objectives.*

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees and to implement systems capable of effectively accommodating our growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems

effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It also is possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analysis of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

32. Insurance coverage obtained by us may not adequately protect us against unforeseen losses.

We have maintained insurance coverage of our assets and accident policies as specified in section titled Insurance Policies of the Draft Red Herring Prospectus. We believe that the insurance coverage maintained, would reasonably cover all normal risks associated with the operation of our business, however, there can be no assurance that any claim under the insurance policies maintained by us will be met fully, in part or on time. In the event we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow may be adversely affected.

33. We face risks and uncertainties associated with the implementation of expansion and new projects. Consequently, our business, operations and revenue may be affected.

Our business plan includes expansion. We may face risks and uncertainties in relation to expansion which may include various factors i.e. we may face difficulties in recruiting, training and retaining sufficient skilled employees, technical and management personnel, expanding our franchisee network, and inability to or difficulty in satisfying franchisee. This may adversely affect our business, results of operation and revenues.

34. M/s. S.K. Masala and Foods (before conversion into our Company) had a negative cash flow in its operation activities, investing activities and financing activities in past financial years.

Particulars	For the year ended (` in Lakh)				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Net Cash Generated from Operating Activities	(365.70)	(217.67)	(90.56)	3.61	48.63
Net Cash from Investing Activities	(4.71)	(6.90)	(24.26)	(12.24)	(13.94)
Net Cash from Financing Activities	358.98	209.03	105.85	13.91	(4.78)

35. Our success depends largely on our senior management and our ability to attract and retain our key personnel.

Our success depends on the continued services and performance of the members of our management team and other key employees. Competition for senior management in the industry is intense, and we may not be able to retain our existing senior management. The loss of the services of our Promoters could seriously impair our ability to continue to manage and expand our business. Further, the loss of any other member of our senior management or other key personnel may adversely affect our business, results of operations and financial condition. We do not maintain 'key man' life insurance for our Promoters, senior members of our management team or other key personnel.

36. We operate in a significantly fragmented and competitive market in each of our business segments and any failure on our part to compete effectively may adversely affect our business, results of operation and prospects.

We face significant competition from local or regional players in the business segments and geographical markets in which we operate, and our success depends on our ability to ensure the continued quality, relevance and innovation of our services and products. Some of our competitors may have better financial and other resources

than we have, or may be able to develop more effective advertisement and marketing campaigns or better priced products than us, which may enable them to compete against us more effectively. These competitive factors may force us to reduce our prices and to pursue new market opportunities.

Increased competition could result in reduced demand for our products, increased expenses, reduced margins and loss of market share. Failure to compete successfully against current or future competitors in each of our business segments could harm our business, operating cash flows and financial condition.

37. *Our profitability will suffer if we are not able to maintain our asset usage levels and pricing and control our costs.*

Our profit margin, and therefore our profitability, is largely a function of our asset usage and the rates we are able to recover for our products. If we are not able to maintain the pricing for our products or appropriate asset usage, without corresponding cost reductions, our profitability will suffer. Our profitability is also a function of our ability to control our costs and improve our efficiency. As we increase the number of our employees and execute our strategies for growth, we may not be able to manage a significantly larger and more geographically diverse workforce, which could adversely affect our ability to control our costs or improve our efficiency.

38. *Equity Shares allotted to our Promoters pursuant to conversion of 'M/s. S.K. Masala and Foods' into our Company have been allotted at a price which may be lower than the Price at which the shares will be issued.*

Our Company was originally formed and registered as a partnership firm under the Partnership Act, 1932 in name and style of 'M/s. S. Khushaldas & Co.' and the name of the Firm was subsequently changed to 'M/s. S.K. Masala & Foods' by and under a deed of partnership dated December 20, 2016. 'M/s. S.K. Masala & Foods' has thereafter been converted from a partnership firm to a public limited company under the provisions of Part I of Chapter XXI of the Companies Act, 2013 to operate under the name of 'S.K. Masala and Foods Limited' with Mr. Barkatali Kamruddin Panjwani, Mr. Salimbhai Kamruddin Panjwani, Mr. Sahebali Salimbhai Panjwani, Mr. Sadik Salimbhai Panjwani, Ms. Minaz Barkatali Panjwani, Ms. Alwina Barkatali Panjwani and Ms. Amrin Barkatali Panjwani (the partners of M/s. S.K. Masala & Foods) being the initial subscribers to the MOA of our Company. The Equity Shares allotted to our Promoters at the time of subscribing to the MOA and pursuant to the conversion of Unsecured loan into equity shares on September 27, 2017 and September 28, 2017 may be below the price at which the shares will be issued. For Further details of equity shares issued, please refer to the Section titled 'Capital Structure' beginning on page 50 of this Draft Red Herring Prospectus.

39. *We are subject to certain restrictive covenants under various debt facilities provided to us by our lenders and there can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take actions to grow our business.*

As on March 31, 2017, our Company has outstanding secured loans of ` 21.01 Lakh and working capital facility of ` 603.10 Lakh from Punjab National Bank. As per our current financing arrangements with them, we are subject to certain restrictive covenants which require us to obtain their prior consent before undertaking certain corporate actions such as starting of new activities, change in capital structure, disposal of major fixed assets, etc. Our inability to manage the covenants of the lenders and continue to grow our business could lead to slower than required growth and operational efficiencies in the future.

40. *Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.*

Modernization and technology up gradation is essential to reduce costs and increase the output. Our technology and key infrastructure may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may not have the competitive edge. Although we strive to keep our technology, equipment and machinery in line with the latest technological standards, we may be required to implement new technology or upgrade the machineries and other equipment's employed by us. Further, the costs in upgrading our technology and modernizing the plant and machineries are significant which could substantially affect our finances and operations.

41. The shortage or non-availability of power facilities may adversely affect our manufacturing processes and have an adverse impact on our results of operations and financial condition.

Our manufacturing processes requires substantial amount of power facilities. The quantum and nature of power requirements of our industry and Company is such that it cannot supplemented / augmented by alternative / independent sources of power supply since it involves significant capital expenditure and per unit cost of electricity produced is very high in view of increasing oil prices and other constraints. We are mainly dependent on State Government for meeting our electricity requirements and get power supply from Dakshin Gujarat Vij Company Limited. Since we are majorly dependent on third party power supply; there may be factors beyond our control affecting the supply of power. Any disruption / non-availability of power shall directly affect our production which in turn shall have an impact on profitability and turnover of our Company.

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

Our key focus is to increase our penetration in the markets where we currently operate by replicating the same proposition that has helped us grow our brand. We intend to deepen penetration in the the states of Gujarat and Saurashtra. We believe that there is an increasing trend toward modern retail trade in the urban markets due to the availability of multiple brands and varieties, offers and discounts, and the option to purchase all products under one roof. To increase visibility and build our brand in our existing markets we intend to focus on sale of our products to such premium outlets. However, we may not be able to expand into new geographic areas which pose risks. Any disruption like non acceptance by Consumer as per their taste, non recognized brand shall directly affect our production which in turn shall have an impact on profitability and turnover of our Company.

43. Our ability to pay any dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirement and capital expenditures

Our ability to pay dividends in the future depends on the profitability of our business, our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our present and future financing arrangements. Our ability to pay dividends may also be restricted under financing arrangements to which we are currently subject to or which we expect to enter. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements, financial condition and results of operations.

44. Accidents in our manufacturing unit may lead to public liability consequences. Further, our revenue could be diminished if we are associated with negative publicity

Occurrence of accidents at our manufacturing unit may expose our Company to pay compensation and penalty to our workmen and third parties for any losses or damage to human life/health or the environment. Further, our revenue could be diminished if we are associated with negative publicity.

45. *The form filling in respect of management and preferential allotment is pending for approval from Registrar of Companies.*

The form filling in respect of management, Authorised Capital and preferential allotment is pending for approval from Registrar of Companies as detailed below:

- Our Company has increased its authorised capital from ` 3,22,00,000 to `9,50,00,000 vide EOGM dated September 11, 2017.
- Through EOGM dated September 28, 2017 and AGM dated September 27, 2017, Independent Directors, Mr. Asit madhusudan Pachigar, Mr. indrajit patel and Mr. Nikhil Govind bhai patel is appointed. Further Minaz Barkatali Panjwani has been also appointed as CFO of our Company. Mr. Barkatali Panjwani has been appointed as Managing Director of our Company. The designation of Sahebali Salimbhai Panjwani and Alwina Barkatali Panjwani has been changed to non-executive Director from Executive Director.
- Also, our Company has converted Unsecured loan into Equity Shares in EOGM and AGM through preferential allotment.

Approval from ROC is still pending till the date of filling of DRHP. For further details, please refer “Capital Structure” on page no. 50.

46. *Registered partnership deeds of the company are not available in respect of earlier amendment prior to 1992.*

Our company was converted from partnership firm conversion under the Companies Act however the partnership firm has been incorporated on November 07, 1972. Partnership deeds before 1992 are not available with the company however we have taken the record of the same from Registrar of Firms.

EXTERNAL RISKS

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

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, change in regulatory framework, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism.

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

Our Company is subject to various regulations and policies. For details see section titled “**Key Regulations and Policies**” beginning on page 106 of this Draft Red Herring Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory

approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

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

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

50. Our 100% Revenue is not derived from business in India and a decrease in economic growth in India could cause our business to suffer.

We derive 100% of our revenue from our operations in India and, consequently, our performance and the quality and growth of our business are dependent on the health of the economy of India. However, the Indian economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the microfinance industry. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

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

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

52. 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 shall be determined by Book building method. This price is be based on numerous factors (For further information, please refer chapter titled "***Basis for Issue Price***" beginning on page 69 of this Draft Red Herring 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.

53. *There are restrictions on daily / weekly / monthly 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*

Once listed, we would be subject to circuit breakers 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 circuit breakers is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker in effect from time to time, and may change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may 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

54. *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.

55. *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.

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 prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision

allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. 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.

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

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

58. *The nationalized goods and services tax (GST) regimes implemented by the Government of India have impact on our operations*

The Government of India has from July 01, 2017 has implemented the Goods and Service Tax a comprehensive national goods and service tax (GST) regime that combines taxes and levies by the Central and State Governments into a unified rate structure. GST of 18% (9 – SGST plus 9 – CGST) has replaced the earlier service tax of 14.5%. This has caused an increased tax burden on the Company, which on passing of the tax burden to the end customer may result in an increase in the quantum of fees charged from students, which may also affect our competitiveness and the demand for coaching. Further, impact of GST on the cost of inputs applied towards services rendered by the Company may result in a further hike in the fees.

59. *We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and trading industry contained in the Prospectus*

While facts and other statistics in the Prospectus relating to India, the Indian economy and the transformers, cables and wire industry has been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled “*Our Industry*” beginning on page 74 of this Draft Red Herring Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere

60. *Conditions in the Indian securities market may affect the price or liquidity of our Equity Shares*

The Indian securities markets are smaller than securities markets in more developed economies and the regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in

some cases significantly, from those in the more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Further, the Indian stock exchanges have experienced volatility in the recent times. The Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading and limited price movements. A closure of, or trading stoppage on the SME Platform of BSE could adversely affect the trading price of the Equity Shares

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

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

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

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

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

64. *Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing*

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

65. 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.

Prominent Notes

1. This is a Public Issue of 35,07,000 Equity Shares of Rs.10 each at a price of Rs. [●] per Equity Share aggregating Rs. [●] Lakh.
2. For information on changes in our Company's registered office please refer to the chapter titled "**Our History and Corporate Matters**" beginning on page 111 of the Draft Red Herring Prospectus.
3. Our Net Worth as per Restated Financial Statement as at March 31, 2017 and March 31, 2016 was Rs. 536.98 Lakh and Rs. 288.13 Lakh respectively.
4. The Net Asset Value per Equity Share as at March 31, 2017 and March 31, 2016 was Rs. 16.68 and Rs. 8.95 respectively.
5. Investors may contact the Book Running Lead Manager for any complaint pertaining to the Issue. All grievances relating to ASBA may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares for which the applied, Application Amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Form has been submitted by the ASBA Applicant.
6. The average cost of acquisition per Equity Share by our Promoter is set forth in the table below:

Name of the Promoters	No. of Equity Shares held	Average cost of Acquisition (in Rs.)
Barkatali Panjwani	45,03,800	13.38

For further details relating to the allotment of Equity Shares to our Promoter, please refer to the chapter titled "**Capital Structure**" beginning on page 50 of the Draft Red Herring Prospectus.

7. There has been no financing arrangement whereby the Promoter Group, our Directors and 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 the financing entity during the period of six months immediately preceding the date of the Draft Red Herring Prospectus.
8. The details of transaction by our Company are disclosed under Related Party Transactions in "**Financial Statements**" of our Company beginning on page 133 of this Draft Red Herring Prospectus.

SUMMARY OF INDUSTRY

After a lackluster outturn in 2016, economic activity is projected to pick up pace in 2017 and 2018, especially in emerging market and developing economies. However, there is a wide dispersion of possible outcomes around the projections, given the uncertainty surrounding the policy stance of the incoming U.S. administration and its global ramifications. The assumptions underpinning the forecast should be more specific by the time of the April 2017 World Economic Outlook, as more clarity emerges on U.S. policies and their implications for the global economy.

With these caveats, aggregate growth estimates and projections for 2016–18 remain unchanged relative to the October 2016 World Economic Outlook. The outlook for advanced economies has improved for 2017–18, reflecting somewhat stronger activity in the second half of 2017 as well as a projected fiscal stimulus in the United States. Growth prospects have marginally worsened for emerging markets and developing economies, where financial conditions have generally tightened. Near-term growth prospects were revised up for China, due to expected policy stimulus, but were revised down for a number of other large economies—most notably India, Brazil, and Mexico.

This forecast is based on the assumption of a changing policy mix under a new administration in the United States and its global spillovers. Staffs now project some near-term fiscal stimulus and a less gradual normalization of monetary policy. This projection is consistent with the steepening U.S. yield curve, the rise in equity prices, and the sizable appreciation of the U.S. dollar since the November 8 election. This WEO forecast also incorporates a firming of oil prices following the agreement among OPEC members and several other major producers to limit supply. While the balance of risks is viewed as being to the downside, there are also upside risks to near-term growth. Specifically, global activity could accelerate more strongly if policy stimulus turns out to be larger than currently projected in the United States or China. Notable negative risks to activity include a possible shift toward inward-looking policy platforms and protectionism, a sharper than expected tightening in global financial conditions that could interact with balance sheet weaknesses in parts of the euro area and in some emerging market economies, increased geopolitical tensions, and a more severe slowdown in China.

Global output growth is estimated at about 3 percent (at an annualized rate) for the third quarter of 2016—broadly unchanged relative to the first two quarters of the year. This stable average growth rate, however, masks divergent developments in different country groups. There has been a stronger-than-expected pickup in growth in advanced economies, due mostly to a reduced drag from inventories and some recovery in manufacturing output. In contrast, it is matched by an unexpected slowdown in some emerging market economies, mostly reflecting idiosyncratic factors. Forward-looking indicators such as purchasing managers' indices have remained strong in the fourth quarter in most areas.

Among advanced economies, activity rebounded strongly in the United States after a weak first half of 2016, and the economy is approaching full employment. Output remains below potential in a number of other advanced economies, notably in the euro area. Preliminary third-quarter growth figures were somewhat stronger than previously forecast in some economies, such as Spain and the United Kingdom, where domestic demand held up better than expected in the aftermath of the Brexit vote. Historical growth revisions indicate that Japan's growth rate in 2016 and in preceding years was stronger than previously estimated.

SUMMARY OF OUR BUSINESS

We are presently engaged into manufacturing, producing, processing, trading of consumer food items, Blended spices, whole spices and Grounded spices, Grocery, Instant Foods, Khakhra, Namkeens used at Diwali times, ready to cook products, dry fruits, Ghee, Pickles, Papad, Mukhwas etc. Few famous spices from the house of S.K. Masala are "Kashmiri Chilli powder", "Garam Masala", " Chicken Masala", "Milk Masala" & "Pav Bhaji Masala". Further these products are available in different varieties. We are able to serve better with such diversified product basket.

We believe that we have differentiated ourselves from our competitors through introduction of new products, including launching innovative flavours targeted at addressing consumer taste, market trends and providing superior value to consumers. Our diversified product portfolio enables us to cater to a wide range of taste preferences and consumer segments. Our products in the Ready to Eat, Instant Food, category are primarily targeted at the working woman while our other products are for all consumer segments. Our diversified product portfolio is therefore, relatively less susceptible to shifts in consumer preferences, market trends and risks of operating in a particular product segment.

Our Company has entered into a Brand Ambassador agreement with Mr. Ripu Daman Handa on June 07, 2017, who is a celebrity and won Master Chef in year 2013, Season 3 with channel Star Plus and is extensively known for his brand promotion and endorsement qualities who represents a brand in a positive light and by doing so helps to increase brand awareness and sales.

We have started our journey in 1968 in small scale and entered into partnership firm in year 1972. Our company has a manufacturing facility at Plot No:-5921, Sachin, GIDC, Surat, Gujarat, India. S. Khushaldas & Company known as S.K.Masala is known for quality spices which are started by Mrs. Kulusumben K. Panjawani in the year 1968 having its principal place of business at 9/1735, Chauta Bazar, Surat – 395003, Gujarat, India. The Firm was duly registered under the provisions of Indian Partnership Act, 1932 with Registrar of Firms at Surat (Gujarat) vide Registration No. GUJ/BRD/13262. The process of conversion of Firm into Body Corporate commenced by and under a partnership deed dated December 20, 2016, the other promoter Mr. Barkatbhai Panjwani and promoter group namely, Mr. Salimbhai Kamruddin Panjwani, Mr. Sahebbai Salimbhai Panjwani, Mr. Sadik Salimbhai Panjwani, Ms. Minaz Barkatali Panjwani, Ms. Alwina Barkatali Panjwani and Ms. Amrin Barkatali Panjwani were admitted to the partnership and the name of the Firm was changed to M/s. S.K. Masala & Foods and the place of business was changed to 10/10, Chauta Bazar, Surat – 395003, Gujarat, India.

M/s. S.K. Masala & Foods has thereafter been converted from a partnership firm to a public limited company under the provisions of Part I of Chapter XXI of the Companies Act, 2013 to operate under the name of 'S.K. Masala and Foods Limited'. Our Company has received a certificate of incorporation from the Registrar of Companies, Ahmedabad on March 3, 2017 bearing CIN number U15549GJ2017PLC096061 hence most of the consents, approval, licenses, registrations, permissions are in the name of partnership firm.

Our promoter, Mr. Barkat Panjwani, who has been at the forefront of our Company's stellar performance over the years is the pillar of our Company's business ideology and growth strategies. We distribute our product across Gujarat and Saurashtra through various own franchisee and departmental stores. Our Company is associated with 4 (four) Franchisee in various part of Gujarat and in process of entering with few more Franchisee agreement.

We are equipped with all facilities to execute all types of manufacturing activities such as cleaning, drying, grading, grinding, packaging, etc. We have a well-equipped processing unit at Plot No:-5921, Sachin, GIDC, Surat, Gujarat, India with an area of 1008 Sq. Mtr.

Our Company is consistent in supplying of quality products round the year as customized blends are made available to them as per the market demand. Our products comply with requisite food safety standards. As a quality conscious company, we provide high performance oriented range of products. We undertake extremely stringent quality checks at every level of the manufacturing processes. Our Company is ISO 22000:2005 certified for manufacturing of Spices, Flours, Ready to Cook Foods, Ready to Eat Foods, Instant Mix and Supply of Dry Fruits, Pickles, Papad, Ghee, Rice,

Tea, Grocery and Khakra by British Certifications Inc and HACCP 15000:1998 certified by British Certifications Inc. for Manufacturing of Spices, Flours, Ready to Cook Foods, Ready to Eat Foods, Instant Mix and Supply of Dry Fruits, Pickles, Papad, Ghee, Rice, Tea, Grocery and Khakra.

We are constantly striving to expand our line of products and we are always on the lookout for complementary products that will add to our solution bouquet. We would seek product lines which have better scope for value addition and therefore offer us higher than average margins.

Our Location

A detail of our locations is as follows:

Registered Office	Atlanta Enterprise, 2 nd Floor, Shop-43, Moje:Althan, Bhimrad Canal Road, Surat-395017, Gujarat, India
Processing Unit	Plot No:-5921, Sachin, GIDC, Surat, Gujarat, India
Stores	L-7, Bhavik Complex, Opp. Turning Point, Ghod Dod Road, Surat, Gujarat, India
	9/1735, Chauta Bazar, Surat, Gujarat, India
	Ward 10, Survey 9, Chauta Bazar area, Surat - Choryasi
	10/10 First Floor kelapath krushna Restaurant Chawta Bazar, Suart, India

SUMMARY OF FINANCIAL INFORMATION
Annexure – I Details of Assets and Liabilities as Restated

Sr No.	Particulars	As At 31 st March,				
		2017	2016	2015	2014	2013
I	EQUITY AND LIABILITIES					
1)	<u>Shareholders' Funds</u>					
	a. Share Capital	322.00	212.43	80.41	107.89	63.00
	b. Reserves & Surplus	214.98	75.70	38.47	18.76	10.04
	Sub Total	536.98	288.13	118.88	126.65	73.04
2)	Share Money Received On Pending Allotment	-	-	-	-	-
	Sub Total	-	-	-	-	-
3)	<u>Non-current Liabilities</u>					
	(a) Long-term borrowings	272.94	91.80	65.76	68.15	36.30
	(b) Deferred tax liabilities (Net)	-	-	-	-	-
	(c) Other Non Current Liabilities	9.64	8.61	5.97	4.62	2.95
	Sub-Total	282.58	100.41	71.73	72.77	39.25
4)	<u>Current liabilities</u>					
	(a) Short-term borrowings	603.09	441.53	321.64	143.07	177.05
	(b) Trade payables					
	i. Total Out Standing due to MSME &	-	-	-	-	-
	ii. Total Out Standing due to creditors					
	other than MSME	581.05	345.56	223.84	149.76	136.30
	(c) Other current liabilities	61.48	3.78	8.46	9.00	6.89
	(d) Short-term provisions	88.30	35.73	18.16	13.62	7.96
	Sub-Total	1333.92	826.60	571.30	315.45	328.20
	Total	2153.48	1215.14	761.91	514.87	440.49
II	Assets					
1)	<u>Non-current assets</u>					
	(a) Property, Plant & Equipment					
	i. Tangible Assets	53.23	61.36	67.69	55.38	55.74
	ii. Intangible Assets	-	-	-	-	-
	iii. Capital Work in Progress	-	-	-	-	-
	iv. Intangible assets under development	-	-	-	-	-
	(b) Non-current investments	-	0.29	0.29	0.29	0.29
	(c) Deferred tax assets (net)	7.25	6.69	5.52	3.24	4.26
	(d) Long-term loans and advances	0.70	5.25	17.93	18.47	39.53
	(e) Other Non Current Assets	-	-	-	-	-
	Sub-Total	61.19	73.59	91.43	77.38	99.82
2)	<u>Current assets</u>					
	(a) Current investments	-	-	-	-	-
	(b) Inventories	567.75	360.13	268.03	180.12	155.12
	(c) Trade receivables	1394.45	665.47	283.72	136.20	93.06
	(d) Cash and cash equivalents	42.09	53.53	69.07	78.04	72.76
	(e) Short-term loans and advances	88.01	62.42	49.66	43.13	19.73
	Sub-Total	2092.29	1141.55	670.48	437.49	340.67
	TOTAL	2153.48	1215.14	761.91	514.87	440.49

Annexure –II Details of profit and Loss as restated

(`in Lakhs)

Sr No.	Particulars	As At 31 st March,				
		2017	2016	2015	2014	2013
I.	Revenue from operations	2105.33	1511.17	1009.95	726.07	614.22
II.	Other income	-	1.72	-	0.27	-
III.	Total Revenue (I + II)	2105.33	1512.89	1009.95	726.34	614.22
IV.	Expenses:					
	Purchases of Stock-in-Trade	1720.82	1154.15	730.07	507.68	475.05
	Changes in inventories	(207.62)	(92.10)	(87.91)	(25.00)	(14.34)
	Employee benefits expense	97.93	161.41	165.11	109.77	49.41
	Finance costs	93.30	68.91	42.83	28.85	25.75
	Depreciation and amortization expense	13.12	14.07	11.95	12.60	11.27
	Other expenses	181.71	150.10	120.56	75.71	55.51
	Total expenses	1899.27	1456.52	982.61	709.61	602.65
V.	Profit before exceptional and extraordinary items and tax (III-IV)	206.06	56.37	27.34	16.73	11.57
VI.	Exceptional items	-	-	-	-	-
VII.	Profit before extraordinary items and tax (V - VI)	206.06	56.37	27.34	16.73	11.57
VIII.	Extraordinary Items-	-	-	-	-	-
IX.	Profit before tax (VII- VIII)	206.06	56.37	27.34	16.73	11.57
X.	Tax expense:					
	(1) Current tax	67.34	20.30	9.92	6.99	5.58
	(2) MAT Credit	-	-	-	-	-
	(3) Deferred tax	(0.56)	(1.16)	(2.29)	1.02	(1.54)
XI.	Profit (Loss) for the period from continuing operations (VII-VIII)	139.28	37.23	19.71	8.72	7.53
XII.	Profit/(loss) from discontinuing operations	-	-	-	-	-
XIII.	Tax expense of discontinuing operations	-	-	-	-	-
XIV.	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)	-	-	-	-	-
XV.	Profit (Loss) for the period (XI + XIV)	139.28	37.23	19.71	8.72	7.53
XVI.	Earnings per equity share:					
	(1) Basic	4.33	1.16	0.61	0.27	0.23
	(2) Diluted	2.68	0.72	0.38	0.17	0.14

Annexure –III Statement Of Cash Flow As Restated

(Rs. In Lakhs)

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
Cash Flow From Operating Activities:					
Profit before tax	206.06	56.37	27.35	16.73	11.57
Adjustments for:					
Depreciation & Amortization Expense	13.12	14.07	11.95	12.60	11.27
Interest Expense	93.30	68.91	42.83	28.85	25.75
Interest Income	-	(0.84)	-	-	-
Operating Profit Before Working Capital	312.48	138.51	82.14	58.18	48.59
Adjusted for (Increase)/ Decrease in:					
Inventories	(207.62)	(92.10)	(87.91)	(25.00)	(14.34)
Trade Receivables	(728.98)	(381.75)	(147.52)	(43.14)	17.38
Other Non-current Assets					13.87
Short term Loans & Advances	(25.59)	(12.76)	(6.54)	(23.41)	(19.71)
Long Term Loans & Advances	4.55	12.68	0.54	21.06	(13.10)
Trade Payables	235.48	122.53	73.30	13.46	20.35
Other Current Liabilities & Provisions	57.70	(4.68)	(0.55)	2.11	3.89
Short Term Provisions	52.58	17.57	4.54	5.66	(5.70)
Other noncurrent liabilities	1.03	2.64	1.37	1.68	2.98
Cash Generated From Operations	(298.36)	(197.37)	(80.64)	10.60	54.21
Net Income Tax paid	67.34	20.30	9.92	6.99	5.58
Net Cash Flow from/(used in) Operating Activities: (A)	(365.70)	(217.67)	(90.56)	3.61	48.63
Cash Flow From Investing Activities:					
Purchase of Fixed Assets	(4.99)	(7.74)	(24.26)	(12.24)	(13.94)
Investment in Non-Current Investment	0.28	-	-	-	-
Interest Income	-	0.84	-	-	-
Net Cash Flow from/(used in) Investing Activities: (B)	(4.71)	(6.90)	(24.26)	(12.24)	(13.94)
Cash Flow from Financing Activities:					
Proceeds from issue of Share Capital	109.57	132.02	(27.49)	44.89	21.41
Share Application money	342.71	145.93	176.17	(2.13)	(0.44)
Interest paid	(93.30)	(68.91)	(42.83)	(28.85)	(25.75)
Net Cash Flow from/(used in) Financing Activities: (C)	358.98	209.03	105.85	13.91	(4.78)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(11.43)	(15.54)	(8.97)	5.28	29.91
Cash & Cash Equivalents As At Beginning Of the Year	53.53	69.07	78.04	72.76	42.85
Cash & Cash Equivalents As At End of the year	42.09	53.53	69.07	78.04	72.76

THE ISSUE

The following table summarizes the Issue details:

Issue of Equity Shares	35,07,000 Equity Shares of Rs. 10/- each fully paid-up of our Company for cash at a price of Rs. [●] per Equity Share aggregating upto Rs. [●] Lakh.
<i>Out of which:</i>	
Market Maker Reservation Portion	1,77,000 Equity Shares of Rs. 10/- each fully paid-up of our Company for cash at a price of Rs. [●]/- per Equity Share aggregating to Rs. [●]/-.
Net Issue to the Public	33,30,000 Equity Shares of Rs. 10/- each fully paid-up of our Company for cash at a price of Rs. [●]/- per Equity Share aggregating to Rs. [●]/-.
<i>Out of which:</i>	
Allocation to Retail Individual Investors for upto Rs. 2.00 lakh	16,65,000 Equity Shares of Rs. 10/- each fully paid-up of our Company for cash at a price of Rs. [●] per Equity Share aggregating to Rs. [●].
Allocation to other investors for above Rs. 2.00 lakh	16,65,000 Equity Shares of Rs. 10/- each fully paid-up of our Company for cash at a price of Rs. [●] per Equity Share aggregating to Rs. [●].
Pre-Issue and Post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue	52,00,000 Equity Shares of Rs. 10/- each
Equity Shares outstanding after the Issue	87,07,000 Equity Shares of Rs. 10/- each
Objects of the Issue	Please refer to the section titled “ <i>Objects of the Issue</i> ” beginning on page 61 of this Draft Red Herring Prospectus.

- (1) *Market Maker Reservation Portion will be 5% of issue proceeds divided by Floor Price, subject to adjustment of lot size. Further the Market Maker Reservation Portion shall not be less than 5 % of the Issued shares in terms of Regulation 106(V) (4) of SEBI (ICDR) Regulations.*
- (2) *This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations through the Book Building Method and hence, as per Sub-regulation (4) of Regulation 43, of SEBI (ICDR) Regulations, the allocation of Net Issue to the public category shall be made as follows:*
 - (a) *At least 50% to retail individual investors; and*
 - (b) *Remaining 50% to other than retail individual investors, subject to valid Applications being received.**The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.*

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

*For further details, please refer to section titled “**Issue Structure**” beginning on page 219 of this Draft Red Herring Prospectus.*

- (3) *The present Issue of 35,07,000 Equity Shares in terms of this Draft Red Herring Prospectus has been authorized pursuant to a resolution of our Board of Directors dated September 01, 2017 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the Annual General Meeting of the members of our Company held on September 27, 2017.*

GENERAL INFORMATION

Our Company was originally formed and registered in name and style of M/s S. Khushaldas & Co. having the principal place of business at 9/1735, Chauta Bazar, Surat – 395003 on the terms and conditions contained in the partnership Deed executed on 1st May, 1972. The Firm was duly registered on 15.04.1993 under the provisions of Indian Partnership Act, 1932 with Registrar of Firms at Surat (Gujarat) vide Registration No. GUJ/BRD/13262. Barkatali Kamruddin Panjwani, Salimbhai Kamruddin Panjwani and Kulsumben Kamruddin Panjwani were partners of M/s S. Khushaldas & Co. By and under a Partnership Deed dated 20th December, 2016, Kulsumben Kamruddin Panjwani retired from the partnership. Barkatali Panjwani and Salimbhai Panjwani continued the partnership between themselves admitting Sahebali Salimbhai Panjwani, Sadikali Salimbhai Panjwani, Minaz Barkatali Panjwani, Alwina Barkatali Panjwani and Amrin Barkatali Panjwani as partners. Further, the name of the Firm was changed to M/s. S.K. MASALA & FOODS and the place of business was changed to 10/10, Chauta Bazar, Surat – 395003.

M/s. S.K. Masala & Foods was thereafter converted from a partnership firm to a public limited company under Part I of Chapter XXI of the Companies Act, 2013 under the name of “S.K. Masala and Foods Limited” and received a certificate of incorporation from the Registrar of Companies, Ahmedabad on March 03, 2017 bearing registration no. 096061. The corporate identity number of our Company is U15549GJ2017PLC096061. The partners of M/s. S.K. Masala & Foods were initial subscribers to Memorandum of Association of our Company.

Our Company and Issue related Information	
Registered Office	Atlanta Enterprise, 2nd Floor, SHOP-43, MOJE, Althan, Bhimrad Canal Road, Surat -395017, Gujarat, India
Date of Incorporation	March 03, 2017
Registration Number	096061
Corporate Identification Number	U15549GJ2017PLC096061
Company Category	Company Limited by Shares
Company Sub Category	Indian Non Government Company
Address of the Registrar of Companies	Registrar of Companies, Ahmedabad, Gujarat, ROC Bhawan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpur, Ahmedabad – 380 013, Gujarat, India
Designated Stock Exchange	BSE SME PLATFORM 25th Floor P J Towers, Dalal Street Fort, Mumbai-400001, Maharashtra, India
Issue Programme	Issue Opens on: [●] Issue Closes on: [●]
Company Secretary and Compliance Officer	Ms. Nanda Mundra S.K. Masala and Foods Limited Atlanta Enterprise, 2ND Floor, SHOP-43, MOJE:Althan, Bhimrad Canal Road, Surat Gujarat, 395017 India Tel: 0261-6512511 E-mail: cs@skmasala.com
Chief Financial Officer	Minaz Barkatali Panjwani S.K. Masala and Foods Limited Atlanta Enterprise, 2ND Floor, SHOP-43, MOJE:Althan, Bhimrad Canal Road, Surat Gujarat, 395017 India Tel: 0261-6512511 E-mail: info@skmasala.com

Board of Directors

Our Company's Board comprises of the following Directors:

Name, Nature of Directorship and DIN	Age	Residential Address
Mr. Barkatali Kamruddin Panjwani Managing Director DIN: 07666611	57 years	Bungalow No - 30, Karimabad Society Ghod Dod Road, Surat, Gujarat, India, 395007
Mrs. Minaz Barkatali Panjwani Executive Director and CFO DIN : 07685696	51 years	Bungalow No - 30, Karimabad Society Ghod Dod Road, Surat, Gujarat, India, 395007
Mr. Sahebali Salimbhai Panjwani Non-Executive and Non Independent Director DIN: 07666673	36 years	30, Karimabad Society, Ghod Dod Road Surat- 395007, Gujarat, India
Ms. Alwina Barkatali Panjwani Non-Executive and NonIndependent Director DIN: 07674928	27 years	30, Karimabad Society, Majura Surat 395001 Gujarat, India
Mr. Asit Madhusudan Pachchigar Non-Executive and Independent Director DIN: 07938195	54 years	10, Palav Row House, Opp. St. Mark School Adajan, Navyug College, Surat-395009, Gujarat, India
Mr. Indrajit Patel Non-Executive and Independent Director DIN: 07945954	46 years	31, Sarvoday Nagar Society, near sweety Society Bhatar Road, Nanpura, Surat City, Surat-395007, Gujarat, India
Mr. Nikhil Govindbhai Patel Non-Executive and Independent Director DIN: 07937302	40 years	7/3058, 1 st floor, lekhadiya sheri, Saiyedpura Surat-395003 Gujrat, India

For further details of the Board of Directors, please refer to the section titled "Our Management" beginning on page 115 of this Prospectus.

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

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the Bidder, number of Equity Shares applied for, the Bid amount paid on submission of the Bid cum Application Form and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate if the Bid was submitted to a member of the Syndicate at any of the Specified Locations, or the Registered Broker if the Bid was submitted to a Registered Broker at any of the Brokers Centres, as the case maybe, quoting the full name of the sole or first Bidder, Bid cum Application Form number, address of the Bidder, Bidder's DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the member of the Syndicate or the Designated Branch or the Registered Broker or address of the RTA or address of the DP, as the case may be, where the Bid was submitted, and the ASBA Account number in which the amount equivalent to the Bid Amount was blocked. All grievances relating to Bids submitted through the Registered

Broker and/or a Stock Broker may be addressed to the Stock Exchanges with a copy to the Registrar.

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

<p>Book Running Lead Manager Gretex Corporate Services Private Limited Office No.13, Raja Bahadur Mansion New Bansilal Building,9-15, Homi Modi Street, Fort, Mumbai – 400023, Maharashtra, India Tel. No.: 022-40055273 Fax No :022-40055273 Email: info@gretexgroup.com Website: www.gretexcorporate.com SEBI Registration No.: INM000012177</p>	<p>Legal Advisor DHAVAL VUSSONJI & ASSOCIATES 113- 114, Free Press House, 215, Free Press Journal Marg, Nariman Point,Mumbai- 400 021, Maharashtra, India Tel: +91 22 6174 9000 Facsimile:+ 91 22 6662 3536 Email:cm@dvassociates.co.in Website: www.dvassociates.co.in</p>
<p>Registrar to the Issue Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda-500032, Hyderabad, India Tel. No:+91 40-6716 2222 Fax No:+91 40-2343 1551 E-mail :einward.ris@karvy.com Website:www.karisma.karvy.com SEBI Registration No: INR000000221</p>	<p>Punjab National Bank Address: Main Branch, Meghani Tower, Surat- 395003 Tel. no. +91 261 2411038 Email: bo0439@pnb.co.in Contact Person: N K Jain, AGM Website: pnb.co.in</p>
<p>Statutory Auditors to the Company D.M. Gheewala & Co Tel: +0261-6540640 Email: dmgheewala@gmail.com Contact Person: D.M. Gheewala Firm Registration Number: 103170W Membership No: 016843</p>	<p>Peer Review Auditors to the Company D V Barfiwala & Co Address: C/2, AnjanShalaka Complex Nr. Lal Bungalow , Athwalaines, Surat 395007 Telephone: 9898130163 Fax: 02612599751 Email: dvbarfiwala@gmail.com Contact Person: DV Barfiwala Firm Registration No: 118936W Membership No: 106032</p>

D V Barfiwala & Co are appointed as peer review auditors of our Company in compliance with section IX of part A of Schedule VIII of SEBI (ICDR) and hold a valid peer review certificate No. **009959** dated May 18, 2017 issued by the "Peer Review Board" of the ICAI.

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

All grievances may be addressed to the Registrar to the Offer 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

Statement of *inter se* allocation of Responsibilities for the Issue

Gretex Corporate Services Private Limited is the sole Book Running Lead Manager to the Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

Self Certified Syndicate Banks (SCSBs)

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on <http://www.sebi.gov.in/sebiweb/home/detail/32931/yes/List-of-Self-Certified-Syndicate-Banks-SCSBsfor-Syndicate-ASBA>. For details on Designated Branches of SCSBs collecting the ASBA Bid Form, please refer to the above-mentioned SEBI link.

Broker Centers/ Designated CDP Locations/ Designated RTA Locations

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchange at www.bseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Credit Rating

As the Issue is of Equity Shares, credit rating is not required.

Trustees

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

Debenture Trustees

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

IPO Grading

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

Monitoring Agency

As per regulation 16(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 10,000 Lakhs. Since the Issue size is only of Rs. [●] Lakh, our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

Appraising Entity

None of the objects of the Offer for which the Net Proceeds will be utilised have been appraised by any agency.

Expert Opinion

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

Our Company has received written consent dated August 19, 2017, from the Statutory Auditors namely, Doshi Maru & Associates, Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “Expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Financial Statements, dated August 19, 2017, and the statement of tax benefits dated August 19, 2017, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “Expert” shall not be construed to mean an “expert” as defined under the Securities Act.

BOOK BUILDING PROCESS

The book building, in the context of the Offer, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band, which will be decided by our Company and the Selling Shareholder, in consultation with the BRLM, and advertised in [●] editions of the English national newspaper, [●] editions of the Hindi national newspaper, and [●] editions of the Marathi newspaper (Marathi being the regional language of Mumbai where our Registered and Corporate Office is located), each with wide circulation, at least five working days prior to the Bid / Issue Opening Date. The Issue Price is finalised after the Bid / Issue Closing Date. The principal parties involved in the Book Building Process are:

- Our Company;
- the BRLM;
- The Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with BSE and eligible to act as Underwriters. The Syndicate Member will be appointed by the Book Running Book Running Lead Manager the SCSBs;
- the Registered Brokers
- the Registrar to the Issue
- the Escrow Collection Bank(s);
- The Collecting Depository Participants.

The SEBI ICDR Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to QIBs, of which 5% shall be reserved for Mutual Funds. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. 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 BRLM and the Designated Stock Exchange. Our Company will comply with the SEBI ICDR Regulations for this Issue. In this regard, our Company has appointed the Book Running Lead Manager to procure subscriptions to the Issue.

In accordance with the SEBI Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise or withdraw their Bids prior to the Bid/issue Closing Date.

We will comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, we have appointed Gretex Corporate Services Private Limited as the Book Running Book Running Lead Manager, respectively to manage the Issue and procure subscriptions to the Issue.

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

Illustration of Book Building and Price Discovery Process: *(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue)*

Bidders can bid at any price within the price band. For instance, assume a price band of `20 to `24 per equity share, issue size of [●] equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Amount(Rs.)	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 shares is the price at which the book cuts off, i.e., Rs 22.00 in the above example. The issuer, in consultation with the Book Running Book Running Lead Manager will finalize the issue price at or below such cut-off price, i.e., at or below Rs 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.

Steps to be taken by the Bidders for Bidding:

- 1) Check eligibility for making a Bid (see section titled “**Issue Procedure**” on page 222 of this Draft Red Herring Prospectus);
- 2) Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- 3) Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
- 4) Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims;
- 5) Ensure that the Bid cum Application Form is duly completed as per instructions given in the Draft Red Herring Prospectus and in the Bid cum Application Form;

BID / ISSUE PROGRAMME

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

Event	Indicative Date
Bid / Issue Opening Date	[•]
Bid / Issue Closing Date	[•]
Finalization of Basis of Allotment with the Designated Stock Exchange	[•]
Unblocking of Funds	[•]
Credit of Equity Shares to demat accounts of Allottees	[•]
Commencement of trading of the Equity Shares on the Stock Exchange	[•]

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned in the Bid cum Application Form or, in case of Bids submitted through ASBA, the Designated Branches of the SCSBs and the Syndicate ASBA Bidding Locations, **On the Bid/Issue Closing Date, Bids (excluding ASBA Bidders) shall be uploaded until** (i) 5.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders; and (ii) until 5.00 p.m. or until such time as permitted by the BSE in case of Bids by Retail Individual Bidders. It is clarified that Bids not uploaded in the book, would be rejected. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the BSE.

In case of discrepancy of data between the Stock Exchange and the Designated Branches of the SCSBs, the decision of the Registrar to the Issue, in consultation with the BRLM, our Company and the Designated Stock Exchange, based on the physical / electronic records, as the case may be, of the Bid cum Application Forms shall be final and binding on all concerned. Further, the Registrar to the Issue may ask for rectified data from the SCSB.

Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid Closing Date, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation in the Issue. If such Bids are not uploaded, our Company, the BRLM and the Syndicate Members shall not be responsible. Bids will be accepted only on working days, i.e. Monday to Friday (excluding any public holiday).

On the Bid/ Issue Closing Date, extension of time will be granted by the Stock Exchange only for uploading the Bids received from Retail Individual Bidders, after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the BRLM to the Stock Exchange within half an hour of such closure.

Our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI ICDR Regulations. The Cap Price shall be less than or equal to 120% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can be revised up or down to a maximum of 20% of the Floor Price as originally disclosed at least two working days prior to the Bid /Issue Opening Date and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bidding Period will be extended for three additional Working Days after revision of the Price Band subject to the Bidding Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release, and also by indicating the change on the website of the BRLM and at the terminals of the members of the Syndicate.

Underwriting

Our Company and Book Running Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated September 27, 2017 pursuant to the terms of the underwriting agreement; obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite following number of specified securities being offered through this Issue.

Name, Address, Telephone, Facsimile, and Email of the Underwriters	Indicated number of Equity Shares to be Underwritten	Amount Underwritten	% of the total Offer size Underwritten
Gretex Corporate Services Private Limited Office No.13, Raja Bahadur Mansion, 9-15 Homi Modi Street, Fort, Mumbai-400023, Maharashtra, India Tel. No.: 022-40055273 Email: info@gretexgroup.com Website: www.gretexcorporate.com SEBI Registration No: INM000012177	35,07,000	[●]	[●]

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 Market Making Arrangement for the Offer

Our Company has entered into Market Making Agreement dated September 27, 2017 with the following Market Maker to fulfil the obligations of Market Making for this Issue:

Name	Gretex Share Broking Private Limited (Formerly known as Sherwood Securities Private Limited)
Address	Office No. 13, 1st Floor, Raja Bahadur Mansion, 9-15, Homi Modi Street, Fort, Mumbai – 400023, Maharashtra, India
Telephone	022-40055273
E-mail	sherwoodpvtltd@yahoo.co.in
Contact Person	Mr. Alok Harlalka/ Mr. Arvind Harlalka
SEBI Registration No.	INBO11394633

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

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

- 1) The Market Maker(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. Based on the IPO price of [●] the minimum lot size is [●] Equity Shares thus minimum depth of the quote shall be [●] until the same, would be revised by BSE.
- 3) After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25% of Issue Size (including the [●] Equity Shares out to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above [●] % Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduce to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.
- 4) There shall be no exemption / threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE may intimate the same to SEBI after due verification.
- 5) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 6) There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, Sherwood Securities Private Limited and Beeline Broking Limited reacting as the sole Market Maker.
- 7) The shares of the company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of BSE and market maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
- 8) There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily / fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
- 9) The Market Maker(s) shall have the right to terminate said arrangement by giving one-month notice or on mutually acceptable terms to the Book Running Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).
- 10) In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running Book Running Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations. Further the Company and the Book Running Book Running Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our Corporate Office from 11.00 a.m. to 5.00 p.m. on working days.

- 11) BSE SME Exchange will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
- 12) BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker(s) in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.
- 13) The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct / manipulation / other irregularities by the Market Maker from time to time.
- 14) 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 Rs80 Crore	12%	11%

CAPITAL STRUCTURE

Our share capital structure before the Issue and after giving effect to the Issue, as at the date of this Draft Red Herring Prospectus, is set forth below:

(in Rs., except share data)

No.	Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price ⁽¹⁾
A.	Authorized Share Capital*		
	95,00,000 Equity Shares of face value of Rs. 10/- each	950,00,000	-
B.	Issued, Subscribed & Paid-up Share Capital prior to the Issue		
	52,00,000 Equity Shares of face value of Rs. 10/- each	5,20,00,000	-
C.	Present Issue in terms of this Draft Red Herring Prospectus		
	Issue of 35,07,000 Equity Shares of face value of Rs. 10/- each for cash at a price of Rs. [●]/- per Equity Share	3,50,70,000	[●]
	<i>Which comprises of:</i>		
	Reservation for Market Maker portion		
	1,77,000 Equity Shares of face value of Rs. 10/- each at a premium of Rs. [●] per Equity Share reserved as Market Maker Portion	[●]	[●]
	Net Issue to the Public		
	33,30,000 Equity Shares of face value of Rs. 10/- each at a premium of Rs. [●]/- per Equity Share	[●]	[●]
	<i>Of which:</i>		
	16,65,000 Equity Shares of face value of Rs. 10/- each at a premium of Rs. [●]/- per Equity Share will be available for allocation for allotment to Retail Individual Investors of up to Rs. [●] lakh	[●]	[●]
	16,65,000 Equity Shares of face value of Rs. [●]/- each at a premium of Rs. [●]/- per Equity Share will be available for allocation for allotment to Other Investors of above Rs. [●] Lakh	[●]	[●]
D.	Paid up Equity capital after the Issue		
	87,07,000 Equity Shares of face value of Rs. 10/- each	8,70,70,000	-
E.	Securities Premium Account		
	Before the Issue		1,62,36,000
	After the Issue		[●]

(1) To be finalized upon determination of the issue price.

(2) This Issue has been authorized by the Board of Directors pursuant to a board resolution dated July 20, 2017 and by the shareholders of our Company pursuant to a special resolution dated July 31, 2017 passed at the EGM of the Company under Section 62 (1)(c) of the Companies Act, 2013.

**Approval from ROC is pending. For details of the change in authorized capital of our Company, see “History and Certain Corporate Matters-Amendments to our Memorandum of Association” on 111 of this Draft Red Herring Prospectus.*

Class of Shares

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

Notes to Capital Structure

1. Details of changes in Authorized Share Capital of our Company since incorporation

S. No.	Date of Shareholders approval	EGM/ AGM/ Postal Ballot	Authorized Capital (In Rs.)	Particulars of Change
1.	On Incorporation	-	3,22,00,000/-	-
2.	14.09.17	EGM	950,00,000/-	The authorized share capital of the Company increased from Rs. 3,22,00,000/- divided into 32,00,000 equity shares of Rs. 10/- each to Rs. 9,50,00,000/- divided into 95,00,000 equity shares.

2. Equity Share Capital history of our Company

The following is the history of the Share Capital of our Company:

Date of Allotment	Number of Equity Shares	Face Value per Equity Share (Rs.)	Issue Price per Equity Share (Rs.)	Nature of Consideration (Cash/ Other than Cash)	Nature of Allotment	Cumulative Number of Equity Shares	Cumulative Share Capital (Rs.)	Cumulative Share Premium (Rs.)
March 03, 2017	32,20,000	10	10	Cash	Subscription to MOA	32,20,000	3,22,00,000/-	0
September 27, 2017	15,84,000	10	12	Other than Cash	conversion of Unsecured Loan into Equity Shares	48,04,000	4,80,40,000/-	31,68,000

September 28, 2017	3,96,000	10	43	Other than Cash	conversion of Unsecured Loan into Equity Shares	52,00,000	5,20,00,000/-	1,62,36,000
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Notes:

(a) Initial Subscribers to the MOA subscribed to 32,20,000 (Thirty Two Lakhs Twenty Thousand only) Equity Shares of face value of Rs. 10/- each as per the details given below:

S. No.	Name of the Subscriber to MOA	Number of Equity Shares Allotted
1.	Barkatali Kamruddin Panjwani	30,26,800
2.	Salimbhai Panjwani	32,200
3.	Minaz Barkatali Panjwani	32,200
4.	Sahebali Salimbhai Panjwani	32,200
5.	Sadik Salimbhai Panjwani	32,200
6.	Alwina Barkatali Panjwani	32,200
7.	Amrin Barkatali Panjwani	32,200
Total		32,20,000

(b) Conversion of Unsecured Loan into Equity Share of 15,84,000 Equity Shares of face value of ` 10/- each fully paid as per the details given below:

Sr. No.	Name of Allottees	No of Shares Allotted
1	Barkatali Kamruddin Panjwani	10,81,000
2	Yasmin Salimbhai Panjwani	5,03,000
Total		15,84,000

(c) Conversion of Unsecured Loan into Equity Share of 3,96,000 Equity Shares of face value of ` 10/- each fully paid as per the details given below:

Sr. No.	Name Of Allottees	No of Shares Allotted
1	Barkatali Kamruddin Panjwani	3,96,000
Total		3,96,000

3. No Equity Shares have been allotted pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956 or section 230-232 of the Companies Act, 2013.

4. Except as disclosed below, no Equity Shares have been issued at price below Issue Price during the last one year:

Date of Allotment	Names of the Allottees	Number of Equity Shares	Face Value (in Rs.)	Issue Price per Equity Share (in Rs.)	Reasons for Allotment
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[•]	[•]	[•]	10	[•]	[•]
[•]	[•]	[•]	10	[•]	[•]

Note: The same will be updated after the price determination.

5. Build-up of our Promoters' Shareholding, Promoters' Contribution and Lock-in

(a) Build-up of Promoters' shareholding in our Company

As on the date of this Draft Red Herring Prospectus, our Promoters (i) Barkatali Kamruddin Panjwani holds 45,03,800 Equity Shares, which constitutes 86.61% of the issued, subscribed and paid-up Equity Share capital 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 equity shareholding of our Promoter, since the incorporation of our Company.

Date of Allotment/ Acquisition/ Sale	Number of Equity Shares	Face Value (Rs.)	Issue/ Acquisition/ Sale Price per Equity Share (Rs.)	Nature of Consideration (Cash/ Other than Cash)	Nature of Transaction	% of Pre-Issue Equity Share Capital	% of Post-Issue Equity Share Capital	Source of Funds
Barkatali Kamruddin Panjwani								
03.03.2017	30,26,800	10	10.00	Cash	Subscription to MOA	58.21	34.76	Owned Fund
28-09-2017	3,96,000	10	43.00	Other than cash	Conversion of Unsecured Loan into Equity Shares	7.62	4.55	Owned Fund
27-09-2017	10,81,000	10	12.00	Other than cash	Conversion of Unsecured Loan into Equity Shares	20.79	12.42	Owned Fund
Total	45,03,800					86.61	51.73	

(b) Details of Promoters' Contribution Locked-in for Three (3) Years

Pursuant to Regulation 32 and 36 of the SEBI (ICDR) Regulations, an aggregate of at least 20% of the post-Issue Equity Share capital of our Company held by our Promoter shall be locked-in for a period of three (3) years from the date of Allotment.

All Equity Shares held by our Promoter are eligible for Promoters' contribution, pursuant to Regulation 33 of the SEBI (ICDR) Regulations.

All the Equity Shares of our Company held by our Promoters shall be held in dematerialized form prior to filing of the Draft Red Herring Prospectus with the RoC.

Our Promoters have consented to the inclusion of such number of the Equity Shares held by them, in aggregate, as may constitute 20% of the Post-Issue capital of our Company as Promoters' contribution and the Equity Shares proposed to form part of Promoters' contribution subject to lock-in shall not be disposed of/ sold/ transferred by our Promoters during the period starting from the date of filing this Draft Red Herring Prospectus with the Stock Exchange until the date of commencement of the lock-in period.

Accordingly, Equity Shares aggregating to 20% of the Post-Issue capital of our Company, held by our Promoters shall be locked-in for a period of three (3) years from the date of Allotment in the Issue as follows:

Details of Promoter's Contribution						
Date of Allotment and Made Fully Paid-up / Acquisition	Nature of Consideration (Cash/Other than Cash)	Number of Equity Shares Allotted/ Acquired/ Transferred	Face Value (Rs.)	Issue/ Acquisition Price (Rs.)	% of Post-Issue Share Capital	Period of Lock-in
03.03.2017	Cash	17,41,400	10	10	20.00%	3 years
Grand Total		17,41,400			20.00%	

The Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoters' under the SEBI (ICDR) Regulations.

The Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution under Regulation 33 of the SEBI (ICDR) Regulations. In this respect, we confirm the following:

- (i) that the minimum promoter's contribution does not consist of Equity Shares 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;
- (ii) that the minimum promoter's contribution does not consist of Equity Shares acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the Company or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution;
- (iii) that the minimum promoter's contribution does not consist of Equity Shares acquired during the one (1) year immediately preceding the date of this Draft Red Herring Prospectus at a price lower than the price at which the Equity Shares are being Issued to the public in the Issue;
- (iv) that the Equity Shares held by our Promoters which are offered for minimum Promoters' contribution are not subject to any pledge or any other form of encumbrance whatsoever; and all the Equity Shares of our Company held by the Promoters are in the process of being dematerialized and shall be held in dematerialized form prior to the filing of the Draft Red Herring Prospectus.

(c) Details of Equity Shares Locked-in for one (1) year

In terms of Regulation 36 and 37 of the SEBI (ICDR) Regulations, other than the Equity Shares issued to the Promoters for the Minimum Promoter's Contribution, which will be locked-in as minimum Promoters' contribution for three (3) years, all the Pre-Issue Equity Shares shall be subject to lock-in for a period of one (1) year from the date of Allotment.

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

(d) Other requirements in respect of lock-in

In terms of Regulation 39 of the SEBI (ICDR) Regulations, locked-in Equity Shares for one (1) year held by our Promoters may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan. Equity Shares locked-in as Promoters' contribution can be pledged only if in addition to fulfilling the aforementioned requirements, such loans have been granted by such banks or financial institutions 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 our Promoters prior to 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 Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("Takeover Regulations") and such transferee shall not be eligible to transfer them until the lock-in period stipulated in the SEBI (ICDR) Regulations has expired.

Further, in terms of Regulation 40 of SEBI (ICDR) Regulations, the Equity Shares held by our Promoters may be transferred to and among the Promoters Group or to new promoters or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations and such transferee shall not be eligible to transfer them until the lock-in period stipulated in the SEBI (ICDR) Regulations has expired.

- (e) We further confirm that our Promoters Contribution of 20% of the Post-Issue Equity Share capital does not include any contribution from Alternative Investment Fund.

(f) Shareholding of our Promoters & Promoter Group

The table below presents the shareholding of our Promoters and Promoter Group, who hold Equity Shares as on the date of filing of this Draft Red Herring Prospectus:

Particulars	Pre-Issue		Post-Issue	
	Number of Shares	Percentage (%) holding	Number of Shares	Percentage (%) holding
Promoters (A)				
Barkatali Kamruddin Panjwani	45,03,800	86.61	45,03,800	51.73
Promoter Group (B)				
Yasmin Salimbhai Panjwani	5,35,200	10.29	5,35,200	6.15
Minaz Barkatali Panjwani	32,200	0.62	32,200	0.37
Sahebali Salimbhai	32,200	0.62	32,200	0.37

Particulars	Pre-Issue		Post-Issue	
	Number of Shares	Percentage (%) holding	Number of Shares	Percentage (%) holding
Panjwani				
Sadik Salimbhai Panjwani	32,200	0.62	32,200	0.37
Alwina Barkatali Panjwani	32,200	0.62	32,200	0.37
Amrin Barkatali Panjwani	32,200	0.62	32,200	0.37
Total (A+B)	52,00,000	100.00	52,00,000	59.72

6. Acquisition and sale/transfer of Equity Shares by our Promoters in last one (1) year

There has been no acquisition, sale or transfer of Equity Shares by our Promoters in the last one (1) year preceding the date of filing of this Draft Red Herring Prospectus, other than as stated in point no 2.

7. Shareholding Pattern of our Company

The table below presents the current shareholding pattern of our Company as per Regulation 31 of the SEBI Listing Regulations as on the date of this Draft Red Herring Prospectus:

Category (I)	Category of shareholder (II)	Nos. of shareholder (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid- up equity share s held (V)	No. of shares underlyin g Depositor Receipts (VI)	Total nos. shares held (VII) = (IV)+(V) +	Shareholdin g 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 Underlyi ng Outstand ing convertib le securities (includin g Warrants) (X)	Shareholding , as a % of conversion of convertible securities (as a percentage of diluted share capital) (XI) = As a % of (A+B+C2)	Number of Locked shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)	Number of equity shares held in demateri alized form (XIV)	
								No of Voting Rights					Total as a % of (A+B + C)	No of sha res. (a)			As a % of total Share s held (b)
								Class eg: X	Clas s eg: Y	Tot al							
(A)	Promoter & Promoter Group	7	52,00, 000	N.A	N.A	52,00,00 0	100	52,00,00 0	-	52,00,00 0	-	-	100	-	-	-	
(B)	Public	0.00	-	N.A	N.A	-	-	-	-	-	-	-	-	-	-	-	
(C)	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total	7	52,00, 000	N.A	N.A	52,00,00 0	100	52,00,00 0	-	52,00,00 0	-	-	100.00	-	-	-	

- We have not entered into tripartite agreement with both depositories.
- In terms of SEBI circular bearing no. Cir/ISD/3/2011 dated June 17, 2011 and SEBI circular bearings no. SEBI/Cir/ISD/05/2011 dated September 30, 2011, our Company shall ensure that the Equity Shares held by the Promoters and Promoter Group shall be in dematerialized prior to the filing of Prospectus with the RoC.
- Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the Listing Regulation, one day prior to the listing of the Equity shares. The Shareholding pattern will be uploaded on the website of BSE before commencement of trading of such Equity Shares.

8. Except as set out below, none of the directors of our Company are holding any Equity Shares in our Company:

Particulars	Number of Equity Shares	Percentage holding (%)
Barkatali Kamruddin Panjwani	45,03,800	86.61
Minaz Barkatali Panjwani	32,200	0.62
Sahebali Salimbhai Panjwani	32,200	0.62
Alwina Barkatali Panjwani	32,200	0.62
Total	35,19,400	88.47

9. None of the shareholding of the Promoters & Promoter Group is subject to lock-in as on date of this Draft Red Herring Prospectus.

10. None of the persons belonging to the category Public are holding more than 1% of the total number of shares as on the date of this Draft Red Herring Prospectus.

11. None of the Key Managerial Personnel holds Equity Shares in our Company as on the date of this Draft Red Herring Prospectus except as disclosed in Point 9 above.

12. Top Ten Shareholders of our Company

a. The top ten (10) shareholders of our Company as of the date of the filing of the Draft Red Herring Prospectus with the Stock Exchange are as follows:

Sl. No.	Name of the Shareholder	Number of Equity Shares	% of paid up capital Pre issue	% of paid up capital Post issue
1.	Barkatali Kamruddin Panjwani	45,03,800	86.61	51.73
2.	Yasmin Salimbhai Panjwani	5,35,200	10.29	6.15
3.	Minaz Barkatali Panjwani	32,200	0.62	0.37
4.	Sahebali Salimbhai Panjwani	32,200	0.62	0.37
5.	Sadik Salimbhai Panjwani	32,200	0.62	0.37
6.	Alwina Barkatali Panjwani	32,200	0.62	0.37
7.	Amrin Barkatali Panjwani	32,200	0.62	0.37
Total		52,00,000	100.00	59.72

b. The top ten (10) shareholders of our Company as on a date two years prior to the date of Draft Red Herring Prospectus are as follows: the company is incorporated on March 03, 2017 hence the same is not applicable.

c. The top ten (10) shareholders of our Company as of ten (10) days prior to the filing of the Draft Red Herring Prospectus with the Stock Exchange are as follows:

Sl. No.	Name of the Shareholder	No of Shares Allotted	% of paid up capital Pre issue	% of paid up capital Post issue
1.	Barkatali Kamruddin Panjwani	45,03,800	86.61	51.73
2.	Salimbhai Kamruddin Panjwani	5,35,200	10.29	6.15
3.	Minaz Barkatali Panjwani	32,200	0.62	0.37
4.	Sahebbali Salimbhai Panjwani	32,200	0.62	0.37
5.	Sadik Salimbhai Panjwani	32,200	0.62	0.37
6.	Alwina Barkatali Panjwani	32,200	0.62	0.37
7.	Amrin Barkatali Panjwani	32,200	0.62	0.37
Total		41,19,000	52,00,000	100.00

13. Till date our Company has not introduced any employee's stock option schemes/ employees stock purchase schemes.
14. None of our Promoters, Promoter Group, our Directors and their relatives has entered into any financing arrangements or financed the purchase of the Equity shares of our Company by any other person during the period of six (6) months immediately preceding the date of filing of the Draft Red Herring Prospectus.
15. We hereby confirm that there will be no further issue of capital whether by the 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 Red Herring Prospectus until the Equity Shares offered have been listed or application money unblocked on account of failure of the Issue.
16. Our Company, our Promoters, our Directors and the Book Running Lead Manager have not entered into any buy-back or standby arrangements for the purchase of the Equity Shares of our Company.
17. None of the Promoters, Promoter Group, the Directors and their relatives have purchased or sold any Equity Shares during the period of six (6) months immediately preceding the date of filing of this Draft Red Herring Prospectus with the Stock Exchange, save and except as disclosed under point 2 above.
18. Our Company undertakes that there shall be only one (1) denomination for the Equity Shares of our Company, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as specified by SEBI from time to time.
19. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares as on the date of this Draft Red Herring Prospectus.
20. The Equity Shares are fully paid up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus.
21. Our Company shall comply with such disclosures and accounting norms as may be specified by SEBI and other regulatory authorities from time to time.
22. The Equity Shares issued pursuant to this Issue shall be fully paid-up.
23. Our Company has not made any public issue of any kind or class of securities of our Company within the immediately preceding two (2) years prior to filing this Draft Red Herring Prospectus.
24. As on date of this Draft Red Herring Prospectus, our Company has Seven (07) shareholders.
25. Our Company, Directors, Promoters or members of our Promoter Group shall not make any payments, direct or indirect, discounts, commissions, allowances or otherwise under this Issue except as disclosed in this Draft Red Herring Prospectus.

26. Our Company does not have any proposal or intention to alter the equity capital structure by way of split/consolidation of the denomination of the Equity Shares, or the issue of securities on a preferential basis or issue of bonus or rights or further public issue of securities or qualified institutions placement within a period of six (6) months from the date of opening of the Issue. However, if business needs of our Company so require, our Company may alter the capital structure by way of split / consolidation of the denomination of the Equity Shares / issue of Equity Shares on a preferential basis or issue of bonus or rights or public or preferential issue of Equity Shares or any other securities during the period of six (6) months from the date of opening of the Issue or from the date the application moneys are refunded on account of failure of the Issue, after seeking and obtaining all the approvals which may be required.
27. Our Company has not revalued its assets during the last five (5) financial years.
28. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the Post-Issue Paid-up Capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to three (3) years lock-in shall be suitably increased; so as to ensure that 20% of the Post-Issue Paid-up Capital is locked in.
29. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
30. 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.
31. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net Issue to the public portion.
32. There are no Equity Shares against which depository receipts have been issued.
33. Other than the Equity Shares, there is no other class of securities issued by our Company.
34. We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of registering this Draft Red Herring Prospectus with the RoC and the Issue Closing Date are reported to the Stock Exchanges within twenty-four (24) hours of such transactions being completed.
35. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, the Issue is being made for at least 25% of the Post-Issue Paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, as amended from time to time.
36. Our Promoters and members of our Promoter Group will not participate in this Issue.
37. The Book Running Lead Manager and its associates do not hold any Equity Shares in our Company as on the date of filing this Draft Red Herring Prospectus.

OBJECTS OF THE ISSUE

The Issue includes a fresh Issue of 35,07,000 Equity Shares of our Company.

Our Company proposes to utilize the funds which are being raised through this Issue towards the below mentioned objects and gain benefits of listing on SME Platform of BSE:

The Objects of the Issue are:

- (a) To Meet working capital requirement; and
- (b) To meet General corporate purpose

(Collectively referred as the “Objects”)

We believe that listing will enhance our corporate image and brand name and create a public market for Equity Share of our Company in India and will further enable us to avail future growth opportunities. Our Company is primarily engaged in Diamonds and Jewellery Manufacturing. The main object clause and the ancillary object clause of the Memorandum of Association of our Company enable us to undertake our existing activities and the activities for which we are raising funds through the Issue. The existing activities of our Company are within the object clause of our Memorandum. The Fund requirement and deployment is based on internal management estimates and has not been appraised by any bank and financial institution.

Requirement of Funds

Our funding requirement is depend on a number of factors which may not be in the control of our management, changes in our financial condition and current commercial condition. Such factors may entail rescheduling and / or revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure.

The following table summarizes the requirement of funds:

Particulars	Amount (in ` Lakh)
Gross proceeds of the Issue	[●]
Less: Issue Expenses	[●]
Net Proceeds	[●]

Utilisation of Net Issue Proceeds: The Net Issue proceeds will be utilised to finance Working Capital Requirement and General corporate purpose in tune of ` [●] Lakh and ` [●] Lakh respectively.

Means of Finance: The above-mentioned fund requirement will be met from the proceeds of the Issue. We intend to fund the shortfall, if any, from internal accruals and/ or debt. Set forth below are the means of finance for the above-mentioned fund requirement:

Sl. No.	Particulars	Amount (in ` Lakh)
1	Net Issue Proceeds	[●]
	Total	[●]

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

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

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured Loans.

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 no. 15 of this Draft Red Herring Prospectus.

Details of the use of the proceeds

1. To Meet Working Capital Requirement

Our business is working capital intensive. We finance our working capital requirement from our internal accruals. Considering the existing and future growth, the total working capital needs of our Company, as assessed based on the internal workings of our Company is expected to reach ` 3169.21 Lakhs for FY 2017- 2018. We intend to meet our working capital requirements to the extent of ` [●] Lakhs from the Net Proceeds of this Issue and the balance will be met from internal accruals and borrowings at an appropriate time as per the requirement.

Basis of estimation of working capital

The details of our Company's composition of working capital as at March 31, 2017 and March 31, 2018 based on the Restated Summary Statements. Further the source of funding of the same are as set out in the table below:

(` in lakh)

Particulars	March 31, 2017	March 31, 2018
	Restated	Estimated
Current Assets		
Inventories	567.75	1314.66
Trade Receivables	1394.45	1543.91
Cash and Cash Equivalents	42.09	144.68
Short Term Loans and Advances	88.013	-
Other Current Asset		624.40
Total (I)	2092.29	3627.65
Current Liabilities		
Trade Payables	581.05	404.61
Other Current Liabilities	120.49	53.83

Short Term Provisions	-	-
Short Term Borrowings	-	-
Total (II)	701.54	458.44
Net Working Capital (I) – (II)	1390.75	3169.21
Incremental Working Capital		1778.46
Funding Pattern		
Short Term Borrowing & Internal Accruals		[●]
Part of the IPO Proceeds		[●]

The details of our Company's expected working capital requirements for the Financial Years 2018 and funding of the same have not been audited by the Statutory Auditor. M/s. Dilip M. Gheewala, Chartered Accountants however the same has been certified by a certificate dated September 27, 2017, in relation to the working capital estimate .

Assumptions for working capital requirement

Holding levels On the basis of existing working capital requirement of our Company and the estimated incremental working capital requirement, our Board pursuant to their resolution dated September 27, 2017 has approved the business plan for the period ended March 31, 2018 and the projected working capital requirement for Fiscals 2018 on standalone basis, as stated below. Provided below are details of the holding levels (days) considered.

Particulars	Number of days of revenue from operations		
	As at March31,2016 (Actual)	As at March31,2017 (Actual)	For the year ending on March 31,
Inventories			
-Finished Goods	80.7	91.2	150
Trade receivables	158.4	238.5	240
Current			
Trade payables	107.4 days	118.2 days	60 days

Justification for Holding Period Levels

Particulars	Detail
Inventory	
Finished Goods	The company intends to maintain finished goods level at 150 days in 2017-18 against 91 days in 2016-17 as we expect to increase in growth of our operations during the year.
Trade receivable	It is in line with the previous year.
Trade Payable	We intend to reduce creditor's days by 58 days for financial year 2017-18 as compared to last year of 118 days, as we intend to purchase stock on strict terms to avail discount.

2. General Corporate Purpose:

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

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

3. Proposed year-wise Deployment of Funds and Schedule of Implementation:

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

(` In Lakh)

Sl. No.	Particulars	Amount already Incurred	Amount to be deployed in F.Y. 2017-18
1.	Working Capital Requirement	[•]	[•]
2.	General Corporate Purpose	[•]	[•]
	Total	[•]	[•]

4. Public Issue Expense

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 ` [•] Lakhs which is [•] % 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:

(Rs. In Lakh)

Activity	Expenses
Fees payable to Merchant Banker , Registrar Fees, Legal Fees & Misc. Expenditure Brokerage & Selling Commission	[•]
Printing and Stationery Expenses, Advertising and Marketing Expenses Statutory Expenses etc.	[•]
Total Estimated Issue Expenses	[•]

5. Funds Deployed and Sources of Funds Deployed:

Our Statutory Auditors, M/s. Dilip M. Gheewala., Chartered Accountants, vide their certificate dated September 27, 2017 have confirmed that as on September 27, the following funds have been deployed for the proposed object of the Issue:

(Rs. In Lakh)

Sl. No.	Particulars	Amount deployed
1.	Issue Expenses	1.77
2.	Gretex Corporate Services Pvt. Ltd. (Book Running Lead Manager) (Excluding Service Tax)	2.28
	Total	4.05

6. Sources of Financing for the Funds Deployed

Our Statutory Auditors, M/s. Dilip M. Gheewala., Chartered Accountants, vide their certificate dated September 27 have also confirmed the amount deployed so far towards part of the Issue expenses has been financed through internal sources.

(Rs. In Lakh)

Sl. No.	Particulars	Amount deployed
1	Internal Accruals	4.05

Sl. No.	Particulars	Amount deployed
	Total	4.05

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.

Shortfall of Funds

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

Bridge Financing Facilities

As on the date of this Draft Red Herring Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility with our lenders, to finance additional working capital needs until the completion of the Issue.

Monitoring Utilization of Funds

As the Issue size is less than `10,000 Lakh, under the SEBI (ICDR) Regulations it is not mandatory for us to appoint a monitoring agency.

The Audit committee and 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 Regulations, 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 Red Herring 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.

Further, in accordance with SEBI Listing Regulations, 2015, our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Draft Red Herring Prospectus.

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 authorised to do so by the Shareholders by way of a special resolution. In addition, the

notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules thereunder. 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 Promoters, our Directors, our Company's Key Managerial Personnel, director of promoters in relation to the utilisation of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoters, our Directors or Key Managerial Personnel, director of promoters except in the normal course of business and in compliance with the applicable laws.

BASIC TERMS OF THE ISSUE

Authority for the Issue

The present Issue of 35,07,000 Equity Shares in terms of Draft Red Herring Prospectus has been authorized pursuant to a resolution of our Board of Directors dated September 01, 2017 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the Annual General Meeting of the members held on September 27, 2017.

Ranking of Equity Shares

The Equity Shares being issued under the Issue shall be subject to the provisions of our Memorandum and Articles and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividends. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends or any other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please refer to the chapter “*Main Provisions of the Articles of Association*” beginning on 275 of this Draft Red Herring Prospectus.

Terms of the Issue

The Equity Shares, now being Issued, are subject to the terms and conditions of this Draft Red Herring Prospectus, Prospectus, Application form, Confirmation of Allocation Note (“*CAN*”), the Memorandum and Articles of Association of our Company, the guidelines for listing of securities issued by the Government of India and SEBI (ICDR) Regulations, 2009, the Depositories Act, Stock Exchange, RBI, RoC and/or other authorities as in force on the date of the Issue and to the extent applicable.

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

Face Value	Each Equity Share shall have the face value of `10.00 each.
Issue Price	Each Equity Share is being issued at a price of ` [●] each and is [●] time of Face Value.
Market Lot and Trading Lot	The Market lot and Trading lot for the Equity Share is [●] and the multiple of [●]; subject to a minimum allotment of [●] Equity Shares to the successful bidders.
Terms of Payment	100% of the Issue price of ` [●] each shall be payable on Application. For more details please refer “ <i>Issue Procedure</i> ” on page 222 of this Draft Red Herring Prospectus.
Ranking of the Equity Shares	The Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividends with the existing Equity Shares of the Company. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please see “ <i>Main Provisions of Articles of Association</i> ” on page 275 of this Draft Red Herring Prospectus.

Minimum Subscription

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

If our Company does not receive the subscription of 100% of the Issue including devolvement on Underwriters within 60 (Sixty) days from the date of closure of the issue, our Company shall forthwith unblock the entire

subscription amount received. If there is a delay beyond 8 (eight) days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed in the Companies Act.

Further, in accordance with Regulation 106R of SEBI ICDR Regulations, no allotment shall be made pursuant to the Issue, if the number of prospective allottees is less than 50 (fifty). For further details, please refer to section titled "Terms of the Issue" beginning on page 212 of this Draft Red Herring Prospectus.

BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled "**Risk Factors**", the details about our Company under the section titled "**Our Business**" and its financial statements under the section titled "**Financial Statements**" beginning on pages 15, 92 and 133 respectively of the Draft Red Herring Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his investment.

The Issue Price has been determined by the Company in consultation with the BRLM on the basis of the key business strengths of our Company. The face value of the Equity Shares is Rs. 10.00 each and the Issue Price is Rs [●] which is [●] times of the face value.

QUALITATIVE FACTORS

1. Established brand and image
2. Comprehensive range of services
3. Rich Management Experience
4. Diversification in the product.

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to section titled "**Our Business**" beginning on page 92 of this Draft Red Herring Prospectus.

QUANTITATIVE FACTORS

Information presented in this section is derived from our Company's 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 & Diluted Earnings per share (EPS), as adjusted:

Particulars	Basic EPS(Rupees)	Weight
Year ended March 31, 2017	4.33	3
Year ended March 31, 2016	1.16	2
Year ended March 31, 2015	0.61	1
Weighted average	2.65	

Particulars	Diluted EPS(Rupees)	Weight
Year ended March 31, 2017	2.68	3
Year ended March 31, 2016	0.72	2
Year ended March 31, 2015	0.38	1
Weighted average	1.64	

Note:

Basic EPS and Diluted EPS Calculations are in accordance with Accounting Standard 20 (AS-20) 'Earnings per Share' issued by ICAI.

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

Sl. No	Particulars	P/E
1.	P/E ratio based on the Basic & Diluted EPS, as adjusted for FY 2016-17 at Floor Price	[●]
2.	P/E ratio based on the Basic & Diluted EPS, as adjusted for FY 2016-17 at Cap Price	[●]
3.	P/E ratio based on the Weighted Average EPS, as adjusted for FY 2016-17 at Floor Price	[●]

4.	P/E ratio based on the Weighted Average EPS, as adjusted for FY 2016-17 at Cap Price	[●]
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3. Industry P/E ratio

We believe that none of the listed companies in India offer products or services across the various business segments in which we operate. There are, however, listed companies in India in the education/ skills and training sector with one or more business segments common to ours and these are as given below:

Sl. No	Name of Company	Face Value (Rs.)	Basic EPS (Rs.)#	P/E	RoNW (%)	BV per share (Rs.)
Food Processing Industry						
1	Ashok Masala Mart Limited*	10	0.59	16.95	3.55	16.62
2	Prabhat Dairy Limited	10	2.8	48.1	5.0	57.1
	Average of High and Low			207.3		
Average of Industry (A+B)						
Total Average of High and Low				332.4		

* based on the prospectus filled with SEBI.

4. Return on Net worth (RoNW)*

Period	Return on Net Worth (%)	Weights
Fiscal 2017	25.94	3
Fiscal 2016	12.92	2
Fiscal 2015	16.59	1
Weighted Average	18.48	

5. Minimum Return on Net Worth after Issue to maintain Pre-Issue EPS for the year ended 2016-17:

S. No	Particulars	(%) (Basic)	(%) (Diluted)
1	At Cap price	[●]	[●]
2	At Floor Price	[●]	[●]
3	At the Issue Price	[●]	[●]

6. Net Asset Value (NAV) per Equity Share :

Sl. No.	As at	Amount (Rs)
1	March 31, 2017	16.68
2	March 31, 2016	8.95
3	March 31, 2015	3.69
4	NAV after Issue	[●]
5	Floor Price	[●]
6	Cap Price	[●]
7	Issue Price	[●]

7. The face value of our shares is Rs 10.00 per share and the Issue Price is of Rs [●] per share is [●] times of the face value.

8. Our Company in consultation with the Book Running Lead Manager believes that the Issue Price of Rs [●] per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the risk factors and financials of the Company including important profitability and return ratios, as set out in the Auditors' Report in the Issue Document to have more informed view about the investment.

Investors should read the above mentioned information along with sections titled "***Our Business***", "***Risk Factors***" and "***Financial Statements***" beginning on pages 92, 15 and 133 respectively including important profitability and return ratios, as set out in "Annexure – XXVI" to the Financial Information of our Company beginning on page 158 of this Draft Red Herring Prospectus to have a more informed view.

STATEMENT OF POSSIBLE TAX BENEFITS

To,
The Board of Directors,
S.K.Masala and Foods Limited

Shop No. 43, Moje : Althan,
Bhimrad Canal Road,Surat

Dear Sirs,

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

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

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

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

The Company or its Equity Shareholders will continue to obtain these benefits in future; or

- The conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein.

This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Red Herring Prospectus/ Prospectus or any other offer related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For, M/s. D V Barfiwala & Co
Chartered Accountants
Firm Registration No: 118936W

Name: D V Barfiwala
Partner
Membership No: 106032
Date: 27/09/2017

Place: Surat

ANNEXURE TO THE STATEMENT OF TAX BENEFITS

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

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

A. SPECIAL TAX BENEFITS TO THE COMPANY

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

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER

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

Note:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

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

OUR INDUSTRY

(The information in this chapter has been extracted from publicly available documents prepared by various sources etc. This data has not been prepared or independently verified by us or the Book Running Lead Manager or any of their or our respective affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled "Risk Factors" on page 15 of this Draft Red Herring Prospectus. Accordingly, investment decisions should not be based on such information)

INDIAN ECONOMIC OVERVIEW

Introduction

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). The Government of India has forecasted that the Indian economy will grow by 7.1 per cent in FY 2016-17. As per the Economic Survey 2016-17, the Indian economy should grow between 6.75 and 7.5 per cent in FY 2017-18. The improvement in India's economic fundamentals has accelerated in the year 2015 with the combined impact of strong government reforms, Reserve Bank of India's (RBI) inflation focus supported by benign global commodity prices.

India's consumer confidence index stood at 136 in the fourth quarter of 2016, topping the global list of countries on the same parameter, as a result of strong consumer sentiment, according to market research agency, Nielsen.

Moody's has affirmed the Government of India's Baa3 rating with a positive outlook stating that the reforms by the government will enable the country perform better compared to its peers over the medium term.

Market size

India's gross domestic product (GDP) grew by 7 per cent year-on-year in October-December 2016 quarter, which is the strongest among G-20 countries, as per Organisation for Economic Co-operation and Development (OECD) Economic Survey of India, 2017. According to IMF World Economic Outlook Update (January 2017), Indian economy is expected to grow at 7.2 per cent during FY 2016-17 and further accelerate to 7.7 per cent during FY 2017-18.

The tax collection figures between April 2016 and January 2017 show an increase in Net Indirect taxes by 16.9 per cent and an increase in Net Direct Taxes by 10.79 per cent year-on-year, indicating a steady trend of healthy growth. The total number of e-filed Income Tax Returns rose 21 per cent year-on-year to 42.1 million in 2016-17 (till 28.02.17), whereas the number of e-returns processed during the same period stood at 43 million.

Corporate earnings in India are expected to grow by over 20 per cent in FY 2017-18 supported by normalisation of profits, especially in sectors like automobiles and banks, while GDP is expected to grow by 7.5 per cent during the same period, according to Bloomberg consensus.

India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

India's foreign exchange reserves stood at US\$ 366.781 billion as on March 17, 2017 as compared to US\$ 360 billion by end of March 2016, according to data from the RBI.

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:

M&A activity in India more than doubled year-on-year to reach US\$ 61.26 billion in 2016-17. Early-stage start-ups in India are expected to raise US\$ 800 million in 2017, due to greater focus on profitability and sustainable growth, as per a report by InnoVen Capital.

- NITI Aayog, Department of Industrial Policy & Promotion (DIPP) and Confederation of Indian Industry (CII) launched an “India Innovation Index” in line with the Global Innovation Index (GII) to rank states based on innovation by capturing innovation data from all Indian states and updating them regularly.
- The Union Cabinet, Government of India, has approved the Central Goods and Services Tax (CGST), Integrated GST (IGST), Union Territory GST (UTGST), and Compensation Bill.
- The Union Cabinet has approved a memorandum of understanding (MoU) between India and United Arab Emirates (UAE), aimed at enhancing cooperation in the field of small and medium enterprises (SMEs) between the two countries, and thereby providing an opportunity for the Indian SMEs to improve and innovate further.
- The Union Cabinet has approved a MoU between India and the African Asian Rural Development Organisation (AARDO), to implement capacity building programmes for rural development.
- The Union Cabinet has approved a MoU between India and Hungary, aimed at improving bilateral cooperation in the field of water management, which is expected to develop relations between public and private organizations concerning water resources of both the countries.
- The Government of India and the Government of the United States of America have signed a MoU to enhance cooperation on energy security, clean energy and climate change through increased bilateral engagement and further joint initiatives for promoting sustainable growth.
- The Government of India plans to auction 280 mines with an estimated mineral value of over Rs 10 lakh crore (US\$ 153.64 billion) in the fiscal year 2017-18, and also use drone technology to prepare topography maps and inspect mines.
- Indian merchandise exports registered a growth of 17.48 per cent year-on-year in February 2017 at US\$ 24.49 billion, according to the data from Ministry of Commerce & Industry
- Retail price inflation for February 2017 was reported at 3.65 per cent, compared to 5.26 per cent a year ago, as per CSO.
- India's industry output grew 2.74 per cent year-on-year in January 2017, led by a good performance in the capital goods sector which registered a 10.7 per cent year-on-year growth.

Government Initiatives

The Government of India announced demonetisation of high denomination bank notes of Rs 1000 and Rs 500, with effect on November 8, 2016, in order to eliminate black money and the growing menace of fake Indian currency notes, thereby creating opportunities for improvement in economic growth.

In the Union Budget 2017-18, the Finance Minister, Mr Arun Jaitley, verified that the major push of the budget proposals is on growth stimulation, providing relief to the middle class, providing affordable housing, curbing black money, digitalisation of the economy, enhancing transparency in political funding and simplifying the tax administration in the country.

India's unemployment rate has declined to 4.8 per cent in February 2017 compared to 9.5 per cent in August 2016, as a result of the Government's increased focus towards rural jobs and the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) scheme.

The Government of Maharashtra has set a target to double farm income by 2022 through measures like large scale micro irrigation, water conservation, expansion of formal cash credit coverage, crop insurance and agriculture diversification, as per Mr Vidyasagar Rao, Governor of Maharashtra.

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, to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. 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 from the current 17 per cent. 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.

Some of the recent initiatives and developments undertaken by the government are listed below:

Finance Minister Mr Arun Jaitley has stated that start-ups incorporated after March 31, 2016, can avail a three-year tax holiday in the first seven years of their existence, instead of five years, and reduced the tax rate for enterprises with a turnover up to Rs 50 crores (US\$ 7.68 million) to 25 per cent instead of the earlier 30 per cent.

- The Ministry of Corporate Affairs (MCA) has launched a Simplified Proforma for Incorporating Company Electronically (SPICE), aimed at providing speedy services for incorporation to bring ease of doing business in the country on a par with global norms.
- The Government of India has unveiled a new Urban Development strategy for the next 20 years, aimed at development of rural and urban areas, providing housing for the urban poor and ensuring gender equity in the country among other objectives.
- The Government of India has raised Rs 30,000 crore (US\$ 4.61 billion) through disinvestment proceeds, the highest amount raised via stake sales, and further aims to meet the disinvestment target of Rs 56,500 crore (US\$ 8.68 billion) for the year, as per Mr Neeraj Gupta, Secretary, Department of Investment and Public Asset Management (DIPAM).
- The Government of India along with its investment promotion agency, Invest India, are in discussion with around 300 Indian and foreign companies to channelize investments worth US\$ 62 billion, which will help create over 1.7 million job opportunities in India.
- The Union Cabinet, Government of India, has approved Rs 10,000 crore (US\$ 1.53 billion) initial corpus for the Fund of Funds for Start-ups (FFS) established in June 2016.
- The Ministry of Housing and Urban Poverty Alleviation, Government of India, has approved the construction of 1,17,814 affordable houses for the urban poor and will provide an assistance of Rs 1,816 crore (US\$ 279 million) under the Prime Minister's Awas Yojana (Urban).
- The Ministry of Women and Children Development, Government of India, plans to implement the Integrated Child Development Services (ICDS) Scheme, Scheme for Adolescent Girls (AGs) and Maternity Benefit Programme (MBP), which aim to deal with the problem of malnutrition in the country, for which the Government has released funds worth Rs 23,092 crore (US\$ 3.53 billion) to States and Union Territories.
- Mr Arvind Panagariya, Vice Chairman, Niti Aayog, has stated that the three-year action plan of the Niti Aayog to boost industry and growth by bringing reforms especially in the areas of agriculture, education and healthcare, will likely start from FY 2017-18.
- The Government of India has certified 20 private organisations as incubators under the Startup India Action Plan, which is expected to promote entrepreneurship, provide pre-incubation training and a seed fund for high growth start-ups in the country.
- The Ministry of Commerce and Industry plans to establish India as a hub for world class designing by setting up four National Institute of Design (NIDs) across the country, aimed at providing skills to empower India's human capital towards world class designing.

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 plans to revamp two of its digital initiatives, the United Payment Interface (UPI) and Unstructured Supplementary Service Data (USSD), to enable consumers to easily make transactions digitally, with or without an Internet connection, and thereby strengthen its push towards making India a digital economy.
- Prime Minister, Mr Narendra Modi has launched the Bharat Interface for Money (BHIM) app, an Aadhaar-based mobile payment application that will allow users to make digital payments without having to use a credit or debit card.

- 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 Sangthan's (KVS) e-initiative 'KV ShaalaDarpan' 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.
- 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 number of internet users in India is expected to reach 730 million by 2020, supported by fast adoption of digital technology, according to a report by NASSCOM.

Road Ahead

According to The World Bank, the Indian economy will likely grow at 7 per cent in 2016-17, followed by further acceleration to 7.6 per cent in 2017-18 and 7.8 per cent in 2018-19. Demonetisation is expected to have a positive impact on the Indian economy, which will help foster a clean and digitised economy in the long run, according to Ms Kristalina Georgieva, Chief Executive Officer, The World Bank.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers. Also, the Prime Minister, Mr Narendra Modi has stated that India has become the world's fastest growing large economy, and is expected to grow five-fold by 2040, owing to a series of policy measures.

Exchange Rate Used: INR 1 = US\$ 0.01536 as on March 28, 2017

Source: www.ibef.org

REVIEW OF DEVELOPMENTS IN 2016-17

GDP and Inflation

Since the Survey was presented eleven months ago, the Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability.

Real GDP growth in the first half of the year was 7.2 percent, on the weaker side of the 7.0-7.75 per cent projection in the Economic Survey 2015-16 and somewhat lower than the 7.6 percent rate recorded in the second half of 2015-16 (Figure 1a). The main problem was fixed investment, which declined sharply as stressed balance sheets in the corporate sector continued to take a toll on firms' spending plans. On the positive side, the economy was buoyed by government consumption, as the 7th Pay Commission salary recommendations were implemented and by the long-awaited start of an export recovery as demand in advanced countries began to accelerate. Nominal GDP growth recovered to respectable levels, reversing the sharp and worrisome dip that had occurred in the first half of 2015-16 (Figure 1b).⁴

The major highlights of the sectorial growth outcome of the first half of 2016-17 were: (i) moderation in industrial and nongovernment service sectors; (ii) the modest pick-up in agricultural growth on the back of improved monsoon; and (iii) strong growth in public administration and defence services—dampeners on and catalysts to

growth almost balancing each other and producing a real Gross Value Addition (GVA) growth (7.2 per cent), quite similar to the one (7.1 per cent) in H2 2015-16 (Figure 1a).

Inflation this year has been characterized by two distinctive features (Figure 2). The Consumer Price Index (CPI)-New Series inflation, which averaged 4.9 per cent during April-December 2016, has displayed a Down ward trend since July when it became apparent that kharif agricultural production in general, and pulses in particular would be bountiful. The decline in pulses prices has contributed substantially to the decline inCPI inflation which reached 3.4 percent at end-December. The second distinctive feature has been the reversal of WPI inflation, from a trough of (-)5.1 percent in August 2015 to 3.4 percent at end-December 2016 (Figure 2), on the back of rising international oil prices. The wedge between CPI and WPI inflation, which had serious implications for the measurement of GDP discussed in MYEA, has narrowed considerably. Core inflation has, however, been more stable, hovering around 4.5 percent to 5 percent for the year so far.The outlook for the year as a whole is for CPI inflation to be below the RBI’s target of 5 percent, a trend likely to be assisted by demonetisation.

Figure 1a. GVA and GDP Growth (Constant Prices)

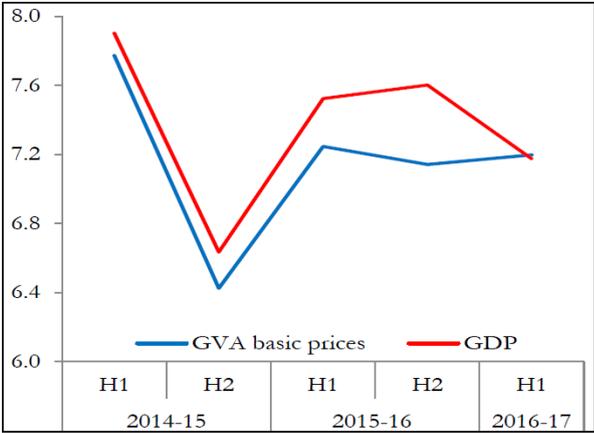
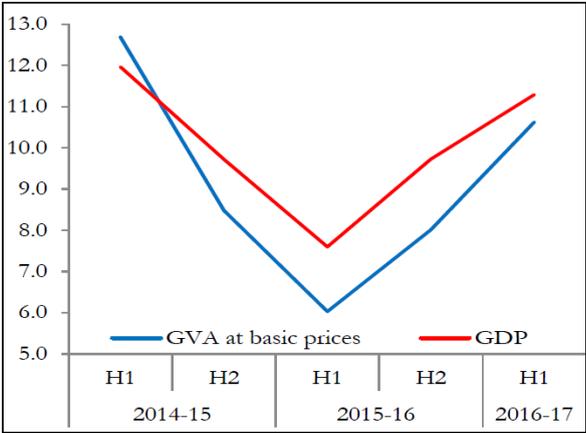
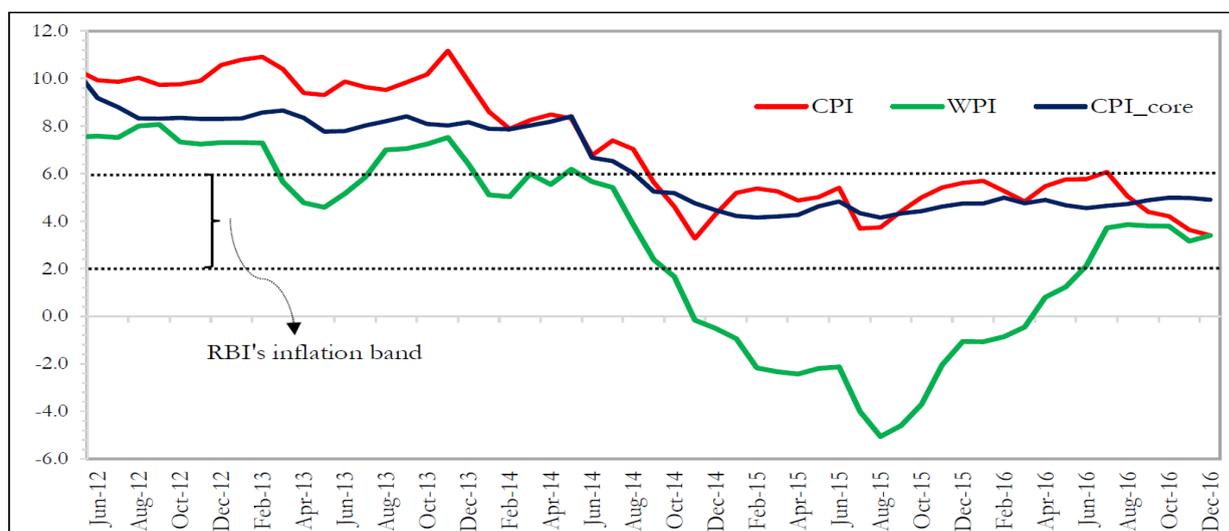


Figure 1b. GVA and GDP Growth (Current Prices)



4 In normal times, nominal GDP growth would not be of particular policy interest. But at a time when the GDP deflator has been subject to unusual measurement uncertainty, nominal growth conveys additional information about real activity.

Figure 2. WPI and CPO Inflation



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 in terms of deals related to mergers and acquisitions (M&A). According to data from Thomson-Reuters, total M&A deals involving Indian companies grew by 82 per cent to US\$ 27 billion during January to June 2016, which is the highest in the first six months in any year since 2011, led by a four and a half time increase of Indian acquisitions abroad at US\$ 4.5 billion.

- The Government of India and the Government of the United States of America have signed a memorandum of understanding (MoU) to enhance cooperation on energy security, clean energy and climate change through increased bilateral engagement and further joint initiatives for promoting sustainable growth.
- Under the new National Mineral Exploration Policy (NMEP), the Government of India plans to conduct e-auction of 62 mineral blocks of minerals such as iron ore, limestone and gold located across several states to further open up the mining sector and increase output of minerals in 2016-17.
- The Department of Electronics and Information Technology (DeitY) has been entrusted with the task of developing India's first national social security platform, aimed at distributing social security benefits directly to the beneficiaries account, thus doing away with intermediaries.
- According to The World Bank, India's per capita income is expected to cross Rs 100,000 (US\$ 1,505) in FY 2017 from Rs 93,231 (US\$ 1,403.5) in FY 2016.
- India's Index of Industrial Production (IIP) grew by 2.1 per cent year-on-year in June 2016, led by expansion in electricity and mining production.
- India's Consumer Price Index (CPI) inflation increased to 6.07 per cent in July 2016 as compared to 5.77 per cent in June 2016. On the other hand, the India's Wholesale Price Index (WPI) inflation increased to 3.6 per cent in July 2016, a 23-month high, as against negative 1.62 per cent in the previous month.

Trends in Primary Market

A. Public and Rights Issues

Resource mobilisation through primary securities market witnessed slowdown during May 2017 compared to the previous month. During May 2017, the primary market witnessed 7 equity issues that mobilised Rs 1,480 crore

compared to 12 issues in April 2017 that raised `3,200crore. All equity issues in May 2017 were initial public offerings (IPOs).

Exhibit 1: Primary Market Trends (Public & Rights Issues)

Items	May-17		Apr-17		2017-18\$		2016-17\$	
	No. of Issues	Amount (` crore)						
1	2	3	4	5	6	7	8	9
a. Public Issues	7	1,480	10	2,833	17	4,313	11	5,009
(i) Debt	0	0	1	1,969	1	1,969	2	665
(ii) Equity, of which								
IPOs	7	1,480	9	864	16	2,344	9	4,344
FPOs	0	0	0	0	0	0	0	0
b. Rights Issues	0	0	2	368	2	368	1	75
Total Equity Issues								
a(ii)+b	7	1,480	11	1,232	18	2,712	10	4,419
Grand Total (a+b)	7	1,480	12	3,200	19	4,680	12	5,084

Notes:

1. IPOs - Initial Public Offers, FPOs - Follow on Public Offers
 2. Amount raised through debt issues for the last two months are provisional.
- \$ denotes as at the end of May of the respective years

B. Private Placement

1. QIPs Listed at BSE and NSE

Qualified Institutional Placement (QIP) is an alternative mode of resource raising available for listed companies to raise funds from domestic market. In a QIP, a listed issuer issues equity shares or non-convertible debt instruments along with warrants and convertible securities other than warrants to Qualified Institutional Buyers only. In May 2017, Rs 7,298.04 crore was mobilised through five QIP issues compared to Rs 5,206.65 crore was mobilised through five QIP issues in the previous month.

2. Preferential Allotments Listed at BSE and NSE

Preferential allotment also serves as an alternative mechanism of resource mobilization wherein a listed issuer issues shares or convertible securities to a select group of persons. There were 48 preferential allotments (amounting to Rs 2,377 crore) listed at BSE and NSE together during May 2017, compared to 41 preferential allotments (amounting to ` 1,835 crore) listed during April 2017.

3. Private Placement of Corporate Debt

Private placement mechanism dominates the resource mobilization through corporate bonds. During May 2017, an amount of Rs 33,389 crore was raised through private placement of 301 issues in the corporate bond market. However, there was no public issue of debt during the month.

Further, in May 2017, the total amount mobilised through public issues and private placement of both debt and equity combined stood at Rs 44,544 crore as compared to Rs 74,060 crore in April 2017.

Exhibit 1A: Total Resources Mobilised by Corporate Sector (` crore)

Month	Equity Issues			Debt Issues			Total Resource Mobilisation (4+7)
	Public & Rights	Private Placements	Total (2+3)	Public	Private Placements	Total (5+6)	
1	2	3	4	5	6	7	8
2016-17	32,517	52,614	85,132	29,363	6,40,715	6,70,077	7,55,209
2017-18\$	2,712	16,716	19,428	1,969	97,208	99,176	1,18,604
Apr-17	1,232	7,041	8,273	1,969	63,819	65,787	74,060
May-17	1,480	9,675	11,155	0	33,389	33,389	44,544

Notes:

- a. *Private placement of Equity includes, amount raised through preferential allotments, QIP and IPP mechanism.*
- b. *Public Equity Issues includes IPO, FPO & Rights issues of common equity shares.*
- c. *Data pertaining to Debt Issue of May 2017 are provisional*

Resource Mobilisation by Mutual Funds

In May 2017, there was a net outflow of Rs 40,711 crore from mutual funds. During the month, there were outflow of Rs 59,593 crore from income / debt oriented schemes whereas inflow of Rs 10,737 crore into growth / equity oriented schemes. Balanced schemes recorded inflow of Rs 7,663 crore. Exchange traded funds witnessed net inflow of Rs 514 crore of which there was an outflow of Rs 71 crore from gold ETFs and an inflow of Rs 584 crore in other ETFs. The Fund of funds schemes investing overseas registered net outflow of Rs 33 crore. The cumulative net assets under management by all mutual funds decreased by 9.8 per cent to Rs 19,03,975 crore at the end of May 2017 from Rs 19,26,302 crore at the end of April 2017

Indian Food Processing Industry

Food processing and its segments

- The food processing industry is one of the largest industries in India and ranks fifth in terms of production, consumption and exports. As per the latest data available, food processing sector is expected to reach US\$ 258 billion in FY15.
- In FY16* (till December 2015), food processing industry constituted 14 per cent to India's GDP through manufacturing.

Introduction

- The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year. In India, the food sector has emerged as a high-growth and high-profit sector due to its immense potential for value addition, particularly within the food processing industry.
- Accounting for about 32 per cent of the country's total food market, The Government of India has been instrumental in the growth and development of the food processing industry. The government through the Ministry of Food Processing Industries (MoFPI) is making all efforts to encourage investments in the business. It has approved proposals for joint ventures (JV), foreign collaborations, industrial licenses, and 100 per cent export oriented units.

- **Market Size**

The Indian food and grocery market is the world's sixth largest, with retail contributing 70 per cent of the sales. The Indian food processing industry accounts for 32 per cent of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth. It contributes around 8.80 and 8.39 per cent of Gross Value Added (GVA) in Manufacturing and Agriculture respectively, 13 per cent of India's exports and six per cent of total industrial investment. The Indian gourmet food market is currently valued at US\$ 1.3 billion and is growing at a Compound Annual Growth Rate (CAGR) of 20 per cent. India's organic food market is expected to increase by three times by 2020#.

The online food ordering business in India is in its nascent stage, but witnessing exponential growth. With online food delivery players like FoodPanda, Zomato, TinyOwl and Swiggy building scale through partnerships, the organised food business has a huge potential and a promising future. The online food delivery industry grew at 150 per cent year-on-year with an estimated Gross Merchandise Value (GMV) of US\$ 300 million in 2016.

- **Investments**

According to the data provided by the Department of Industrial Policies and Promotion (DIPP), the food processing sector in India has received around US\$ 7.54 billion worth of Foreign Direct Investment (FDI) during the period April 2000-March 2017. The Confederation of Indian Industry (CII) estimates that the food processing sectors have the potential to attract as much as US\$ 33 billion of investment over the next 10 years and also to generate employment of nine million person-days.

Some of the major investments in this sector in the recent past are:

- Global e-commerce giant, Amazon is planning to enter the Indian food retailing sector by investing US\$ 515 million in the next five years, as per Mr Harsimrat Kaur Badal, Minister of Food Processing Industries, Government of India.

- Parle Agro Pvt Ltd is launching Frooti Fizz, a succession of the original Mango Frooti, which will be retailed across 1.2 million outlets in the country as it targets increasing its annual revenue from Rs 2800 crore (US\$ 0.42 billion) to Rs 5000 crore (US\$ 0.75 billion) by 2018.
- US-based food company Cargill Inc, aims to double its branded consumer business in India by 2020, by doubling its retail reach to about 800,000 outlets and increase market share to become national leader in the sunflower oil category which will help the company be among the top three leading brands in India.
- Mad Over Donuts (MoD), outlined plans of expanding its operations in India by opening nine new MOD stores by March 2017.
- Danone SA plans to focus on nutrition business in India, its fastest growing market in South Asia, by launching 10 new products in 2017, and aiming to double its revenue in India by 2020.
- Uber Technologies Inc plans to launch UberEATS, its food delivery service to India, with investments made across multiple cities and regions.

- **Government Initiatives**

Some of the major initiatives taken by the Government of India to improve the food processing sector in India are as follows:

- The Government of India aims to boost growth in the food processing sector by leveraging reforms such as 100 per cent Foreign direct investment (FDI) in marketing of food products and various incentives at central and state government level along with a strong focus on supply chain infrastructure.
- In Union Budget 2017-18, the Government of India has set up a dairy processing infra fund worth Rs 8,000 crore (US\$ 1.2 billion).
- The Government of India has relaxed foreign direct investment (FDI) norms for the sector, allowing up to 100 per cent FDI in food product e-commerce through automatic route.
- The Food Safety and Standards Authority of India (FSSAI) plans to invest around Rs 482 crore (US\$ 72.3 million) to strengthen the food testing infrastructure in India, by upgrading 59 existing food testing laboratories and setting up 62 new mobile testing labs across the country.
- The Indian Council for Fertilizer and Nutrient Research (ICFNR) will adopt international best practices for research in fertiliser sector, which will enable farmers to get good quality fertilisers at affordable rates and thereby achieve food security for the common man.
- The Ministry of Food Processing Industries announced a scheme for Human Resource Development (HRD) in the food processing sector. The HRD scheme is being implemented through State Governments under the National Mission on Food Processing. The scheme has the following four components:
 - Creation of infrastructure facilities for degree/diploma courses in food processing sector
 - Entrepreneurship Development Programme (EDP)
 - Food Processing Training Centres (FPTC)
 - Training at recognised institutions at State/National level

COMPOSITION OF FOOD PROCESSING INDUSTRY

Food Processing Comprises following six segments:

Fruits and vegetables

India is the world's 2nd largest producer of fruits and vegetables. India produced 86.283 million tonnes of fruits, 167.058 million tonnes of vegetables during 2014 - 15; the government expects the processing in this sector to grow by 25 per cent of the total produce by 2025.

Milk

India is the largest producer of milk in the world, with the production estimated at 146.3 MT in FY15

Meat and Poultry

India is the largest producer of buffalo meat (1.4 MT in 2015) and the second largest producer of goat meat (0.91 MT in 2015). It is world's second largest egg producer (78.4 billion) and third largest producer of broiler meat (3.8 million tonnes)

Marine Products

Total fish production in 2014-15 is expected to reach 10.06 MT with Andhra Pradesh being the largest producer of fish in the country with estimated fish production of 1.9 MT during 2014-2015

Grain Processing

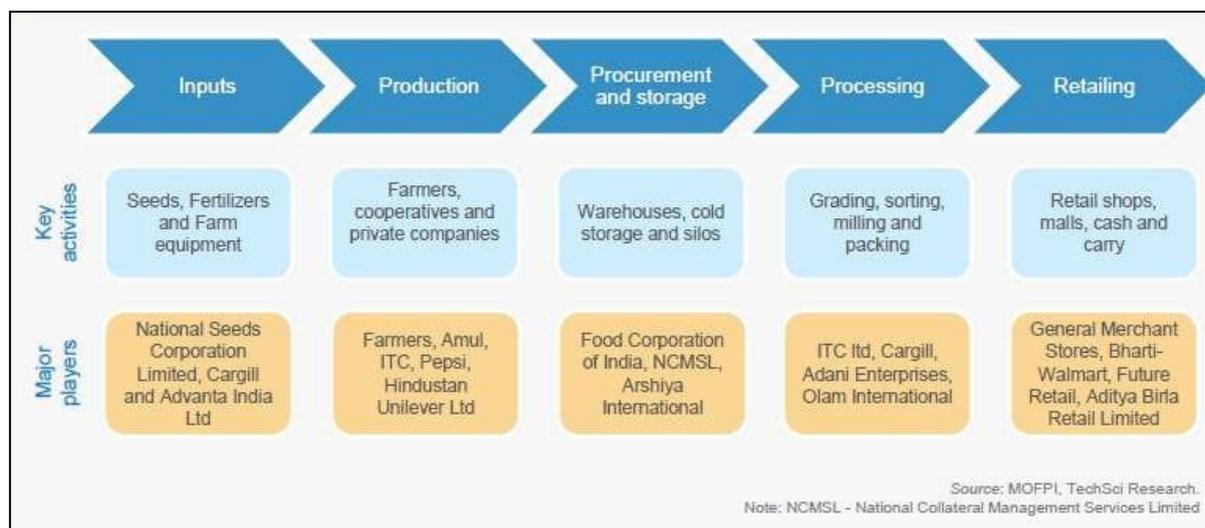
India produces more than 200 million tonnes of different food grains every year. Total food grains production reached 252.68 MT in FY15 (4th Advanced Estimates)

Consumer Food

Amongst the fastest growing segment in India; it includes Packaged food, Aerated Soft Drinks, Packaged Drinking water and Alcoholic beverages

(Source: Indian Food Industry, India Brand Equity Foundation www.ibef.org)

VALUE CHAIN IN FOOD PROCESSING SECTOR AND KEY PLAYERS



(Source: Indian Food Industry, India Brand Equity Foundation www.ibef.org)

FOOD PROCESSING: ADVANTAGE INDIA

Strong demand growth

- Demand for processed food rising with growing disposable income, urbanisation, young population and nuclear families
- Household consumption set to double by 2020
- Changing lifestyle and increasing expenditure on health and nutritional foods

Food processing hub

- India benefits from a large agriculture sector, abundant livestock, and cost competitiveness
- Investment opportunities to arise in agriculture, food infrastructure, and contract farming
- Diverse agro-climatic conditions encourage cultivation of different crops

Increasing investments

- Government expects USD21.9 billion of investments in food processing infrastructure by 2015
- Investments, including FDI, would rise with strengthening demand and supply fundamentals
- Launch of infrastructure development schemes to increase investments in food processing infrastructure

Policy support

- Sops to private sector participation; 100 per cent FDI under automatic route. Investment in April 2000-September 2015 period stood at USD6.54 billion
- Promoting rationalisation of tariff and duties relating to food processing sector.
- Setting up of National Mission on Food Processing

2015 E - India's food Processing industry: USD 258 billion

2020 E - India's food Processing industry: USD 482 billion

(Source: Indian Food Industry, India Brand Equity Foundation www.ibef.org)

FOOD PROCESSING INDUSTRY: STRONG FUNDAMENTALS AND POLICY SUPPORT AIDING GROWTH



(Source: Indian Food Industry, India Brand Equity Foundation www.ibef.org)

STRONG POLICY SUPPORT GIVES FOOD PROCESSING SECTOR A BOOST

Encouragement to private sector

- 100 per cent export-oriented units allowed to sell up to 50 per cent of their produce in the domestic market
- Export earnings exempt from corporate taxes

Tax incentives and other sops

- Services like pre conditioning, ripening, waxing, retail packing, precooling, labelling of fruits and vegetables have been exempted from service tax
- Excise duty of 2 per cent without CENVAT credit or 6 per cent excise duty with CENVAT credit is imposed on peanut butter condensed milk
- Import duty scrapped on capital goods and raw materials for 100 per cent export-oriented units
- Full excise duty exemption for goods that are used in installation of cold storage facilities

Relaxed FDI norms

- 100 per cent FDI permitted under automatic route (except for alcohol, beer, and sectors reserved for small scale industries)
- Repatriation of capital and profits permitted

Mega Food Parks

- The scheme based on –Clusterll approach, which creates a well-defined agri/horticultural processing zone with better support of infrastructure and well-established supply chain
- Aims at providing mechanisms to link agricultural production to the market by bringing farmers, processors and retailers together
- Under Union Budget 2015-16, USD19.65 million has been allotted for Mega Food park Scheme
- Final approval has been received for 21 mega food parks, out of which, only 4 food parks are operational

Focus on infrastructure

- The sector has been assigned priority status for bank credit.
- 60 Agri Export Zones (AEZ) have been set up across the country
- In Union Budget 2015-16, government has announced to make a provision of USD53.8 million to develop infrastructure

Incentives for development of storage facilities

- Investment-linked tax incentive of 100 per cent deduction of capital expenditure for setting up and operating cold chain facilities (for specified products), and for setting up and operating warehousing facilities (for storage of agricultural produce). Till 2015, 112 storage infrastructure projects have been approved, out of which 50 have been completed and 62 are in progress towards completion

Focus on R&D and modernisation

- The government launched initiatives such as for the Setting Up/Upgradation of Quality Control/Food Testing Laboratory, R&D and Promotional Activity scheme and the Technology Upgradation/Setting Up/Modernisation/Expansion of Food Processing Industries Scheme. During 2014-15, 8 food testing laboratories were set up, 20 R&D projects were completed and government allocated USD4.9 million for mentioned initiatives.

National Mission on Food Processing

- MOFPI launched a new Centrally Sponsored Scheme (CSS) National Mission on Food Processing to promote facilities for post-harvest operations, including setting up of food processing industries in India. In 2015-16 Union Budget, government has announced to spend USD1.1 million in Union territories only.

(Source: Indian Food Industry, India Brand Equity Foundation www.ibef.org)

OPPORTUNITIES IN INDIAN FOOD PROCESSING SECTOR

Untapped market with strong growth potential

- Fragmented market leads to lower processing levels and value addition
- The government plans to raise value addition to 35 per cent by 2015 from 20 per cent in 2005
- PPP modules ideal for the private sector
- Strong demand growth; household consumption set to double by 2020

Potential global outsourcing hub

- Global supermarket majors looking at India as a major outsourcing hub
- India enjoys favourable supply side fundamentals (abundant raw materials supply, cost advantages)
- The government has helped by investing in AEZs, mega food parks, easier credit
- The establishment of food parks – a unique opportunity for entrepreneurs, including foreign investors to enter in the Indian food processing sector.

Supply chain infrastructure and contract farming

- Both firms and the government are eager to boost efficiency and access to markets
- Investment potential of USD22 billion in food processing infrastructure; 100 per cent FDI in this area
- Firms increasingly taking recourse to contract farming in order to secure supply

- Supply chain infrastructure – this niche has investment potential in food processing infrastructure, the government’s main focus is on supply chain related infrastructure like cold storage, abattoirs and food parks.

(Source: Indian Food Industry, India Brand Equity Foundation www.ibef.org)

NOTABLE TRENDS IN THE INDIAN FOOD PROCESSING SECTOR

Changing Consumer Tastes

- Wide array of products, coupled with increasing global connectivity, has led to a change in the tastes and preference of domestic consumers
- This trend has been bolstered by rising incomes, increasing urbanisation, a young population, and the emergence of nuclear families. Consumer preference is moving towards healthier snacks

Entry of International Companies

- Liberalisation and growth of organised retail have made the Indian market more attractive for global players
- With a large agriculture sector, abundant livestock, and cost competitiveness, India is fast emerging as a sourcing hub of processed food. Danone, Nestle, Kraft Foods, Mondelez International, Heinz are the international players in food processing market in India

Rising demand on Indian products in international market

- Strategic geographic location and continuous increase in raw material production help India to supply cheaper products to other countries.
- India’s exports of processed food and related items rose at a CAGR of 23.3 per cent during FY11–15
- Companies like Haldiram’s and Bikarnervalva have a presence in over 70 countries, whereby they provide Indian snacks.

Higher consumption of Horticulture Crops

- There is a surge in demand for fruits & vegetables as a result of a shift in consumption.
- Accordingly, Indian farmers are also shifting production towards horticulture crops to cash in on the growing demand.

Emphasis on Healthier Ingredients

- Food processing companies are serving health and wellness as a new ingredient in processed food, given that health conscious consumers prefer food products with lower carbohydrate content and with low cholesterol edible oils. e.g. zero-per cent trans fat snacks and biscuits, slim milk, whole wheat products, etc. ITC is planning to launch multigrain Bingo to increase its share in healthy snacks market

Packaging as a Purchase Influencer and Communicator

- Food packaging has enabled today’s consumers to look for various options, and compare the value offerings thereof, before making a purchase.
- Packaging has also helped enhance ‘carry ability’ of products and increase their shelf life.

A Shift from Usefulness in Processing to Usefulness to Consumers

- Product innovation is always needed as consumers not only prefer safe ingredients and additives but also useful ones
- This creates opportunities mainly in product innovation, specialised products, and product extensions for the various existing food processors as well as new entrants
- Consumers have become aggressive in demanding better, safer, and convenient food products and are willing to pay a higher price for health and convenience.

Frozen and Processed Goodness

- Frozen processed foods offer both convenience and nutrition
- The increase in spending capacities and the concurrent time-paucity has led to the continuous development of such frozen processed food products as frozen vegetables (e.g. peas, potato, corn, etc.) and such non-vegetarian products as chicken, fish, and meat products. Food processing market accounts for 32 per cent of the total food market in India

Sensible Snacking

- Domestic consumers are now tuned in to the greater variety of foods available, thanks to both wider variety in offerings as well as their own international exposure. ITC and PepsiCo are shifting their focus on healthier snacks as the market for healthy snacks is growing with double speed.

Product Innovation as the Key to Expansion

- It is now the norm for food processing companies to offer value-addition; those who hitherto offered solely milk have now added other dairy products to their repertoire.
- This helps the processors to not only reduce wastage, but also expand uses and realise higher returns. In 2015, Bonhomie has announced to launch ‘_Boho’ coffee machines, the company is the first one to manufacture coffee and tea capsule in India

Strengthening Procurement via Direct Farmer-Firm Linkages

- Contract farming has been operational in India for a long time now; however, the experience of the private sector players involved therein has been a mixed bag of successes and failures
- Largely, it has helped both the processing companies, via increasing sales and therefore augmenting their incomes, as well as providing access to better technology and fetching better prices by securing an assured market for Indian farmers. examples include Nestlé, PepsiCo, Venky’s, Milkfed, and Mahagrapes, among others.

(Source: Indian Food Industry, India Brand Equity Foundation www.ibef.org)

HISTORY AND ORIGIN OF SPICES IN INDIA

Spices have been closely connected to magic, cultural traditions, preservation, medicine and embalming since early human history. Spices were a key component of India's external trade with Mesopotamia, China, Sumeria, Egypt and Arabia, along with perfumes and textiles - as far back as 7000 years ago - much before the Greek and Roman civilisations.

As can be seen below, spices played a key role in shaping the course of world history.

The clove finds a mention in the Ramayana - as well as in writings dating back to the Roman Empire in the 1st century AD. Caravans of camels moved regularly from Calicut, Goa and the Orient in ancient times to transport these spices to distant destinations such as Carthage, Alexandria and Rome.

While these spices are readily available today, there was a time when people risked their lives to gain access to Indian spices. From the Indian perspective, it brought in traders and invaders alike - century after century.

<https://www.teacoffeespiceofindia.com/spice/spice-origin>

• THE ORIGIN OF SPICES - AND SPICE TRADE

Although many spices originated from India¹, sourcing different varieties of spices from India was both difficult and risky. It meant embarking on long and difficult sea voyages - as well as withstanding intense competition from other powerful empires eager to dominate spice trade.

Between the 7th and 15th centuries, Arab merchants supplied Indian spices to the West, but took care to keep their source a closely guarded secret. To protect their market, discourage competitors and enhance prices, they are known to have spread fanciful stories to satisfy the curious - such as cinnamon growing in deep glens infested by poisonous snakes - among other things.

The Europeans took their ships on long expeditions in their quest for the true origin of the spices that gave life to their food. Since Indian spices were heavily in demand and very difficult to procure, they were even more valuable than gold at that time.

During the Middle Ages, it has been said that:

- one pound of ginger was worth a sheep
- one pound of mace was worth three sheep or half a cow
- one sack of pepper was said to be worth a man's life!

According to another estimate, Western Europe imported around 1,000 tons of pepper and 1,000 tons of other common spices annually during the late Middle Ages. These spices were equivalent to the annual supply of grain for 1.5 million people in terms of value.

<https://www.teacoffeespiceofindia.com/spice/spice-origin>

SPICE EXPORTS

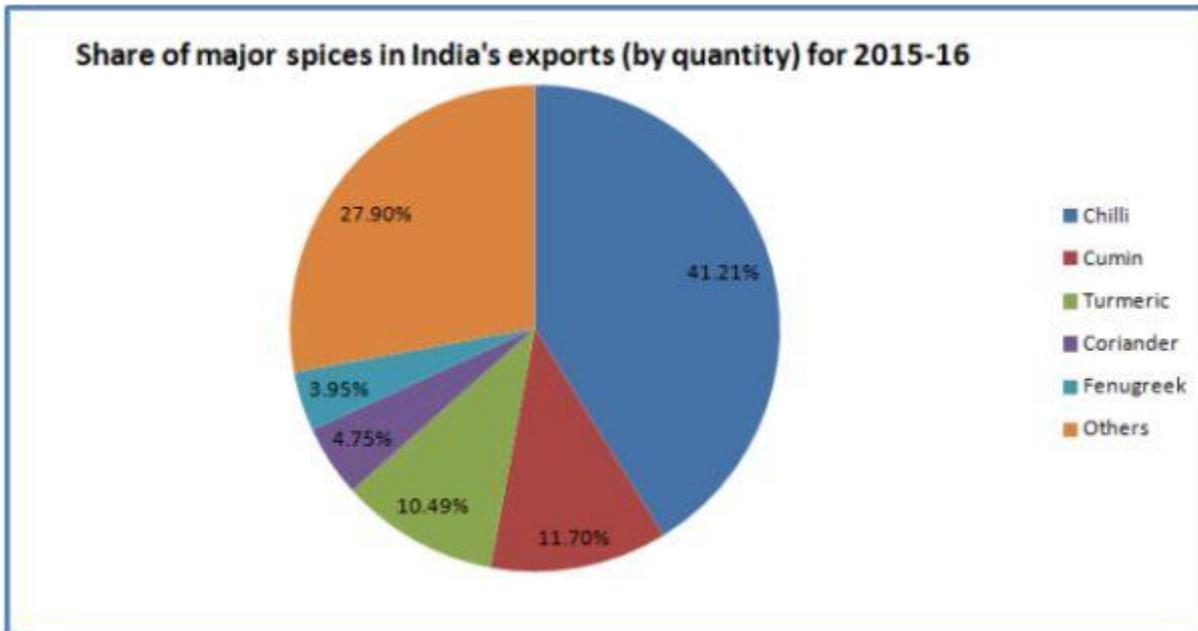
India is known as the home of spices and boasts of a long history of trading with the ancient civilisations of Rome and China. Indian spices are the most sought-after globally, given their exquisite aroma, texture and taste. India has the largest domestic market for spices in the world.

Of the 109 varieties of spices listed by the International Organisation for Standardisation (ISO), the country produces more than 65. The varying climatic conditions in India provide ample scope for the cultivation of a variety of spices. Almost all Indian states produce spices, with the total area under spice cultivation pegged at around 3.15 million hectares.

India commands a formidable position in world spice trade.

During 2015-16, India exported 8,43,255 tons of spices and spice products valued at Rs.16,238.23 crore (US\$ 2,482.83 million). Exports grew by 9% in terms of rupees and 2% in terms of US dollars. This has exceeded the target of 808,000 tons in quantity and Rs.14,014.00 crore (US\$ 2,26 million) in terms of value by 104% in terms of volume and 116% in rupee and 110% in terms of US dollar in terms of value. The US is the major importer of Indian spices by value followed by China, Vietnam, Malaysia, UAE, UK, Germany, Singapore and Saudi Arabia. Exports to the US stood at Rs 23,523.79 million followed by China at Rs 16289.68 million in 2013-14.

The spice export basket consists of whole spices, organic, spice mixes, spice blends, freeze dried, curry powders/mixtures, oleoresins, extracts, essential oils, de-hydrated, spice in brine and other value added products.



<https://www.teacoffeespiceofindia.com/spice/spice-statistics>

WHY INDIA ?

- India is a prominent producer of different spice oils and oleoresins from spices of various grades.
- During the course of time, India has been successfully manufacturing and exporting value added spice products
- There are stringent quality control measures in place, including pre-shipment inspection, validation of quality checks and mandatory inspection by the Spices Board.
- There are strict checks on physical, chemical and microbial parameters including pesticide residues, aflatoxins, heavy metals and other contaminants/adulterants.
- Over the years, the Indian spice community has evolved and matured as a technology-led, quality-conscious, customer-centric and market-driven industry. This makeover has led to a rapidly growing variety of value-added spices in ground, crushed, cracked, blended, dehydrated forms in bulk, in brine and in consumer packs (curry mixes, natural food colours, spice extracts, mint oils, menthol crystals, menthol powder and several spice-based industrial raw materials). Indian spice oils and oleoresins continue to dominate the international processed food market.
- Breakthrough technological developments are throwing open immense potential and possibilities in every realm, almost every day. Harnessing the technological developments, Indian spices have unleashed their inherent potential and are spreading their wellness, healthy goodness and application capabilities to a wide spectrum of industry verticals like curry blends, pharma industries, medical applications and industrial applications.
- In recent years, organic farming has gained considerable importance. The spices produced from this type of farming are without any harmful ingredients. Organic farming ensures that the spices keep their inherent taste, aroma and other health benefits intact. Exports of spices have been significantly increased due to the major shift of farming practices to organic methods.

<https://www.teacoffeespiceofindia.com/spice/spice-statistics>

SPICE PARKS

Major consuming countries of Indian spices like America and members of the EU have strict quality compliance norms. Indian exporters have been successful in complying with such strict quality stipulations with the help of various quality improvement programmes initiated by the Spices Board. The Board has launched special industrial parks for processing and value addition of spices and spice products called spices parks. The spices are regionally divided with a very well-conceived approach with integrated operations for cultivation, post harvesting, processing for value addition, packaging, storage and exports of spices and spice products which adhere to the quality specifications of the consuming countries.

The basic objective behind the conceptualisation of the spice parks has been the provision of common infrastructural facilities for both post-harvest activities and processing of spices and spice products along with backward integration by providing rural employment. The spice parks have processing facilities which are at par with international standards where the products undergo cleaning, grading, sorting, grinding, packing and warehousing. Educative services are also provided to the farming and trading communities at the park. Training programmes providing information on Good Agricultural Practices (GAP), post harvest operations, advanced processing practices, global food safety and quality standards are disseminated to farmers. The spice parks ensure a better pricing for the products as they help in shortening the channels in the supply chain system. Farmers can utilise the facilities provided at the spice parks to help them improve the quality of their products and sell directly to the exporters.

The spice parks which are under the aegis of the Spices Board are:

Chhindwara (Madhya Pradesh)

Puttady (Kerala)

Guna (Madhya Pradesh)

Jodhpur (Rajasthan)

Raebareli (Uttar Pradesh)

Guntur (Andhra Pradesh)

Kota (Rajasthan)

The spices processing market in India has seen an increase in volumes, owing to the huge global demand for processed Indian spices such as oleoresins and seasonings, primarily from the UAE, the US, the European Union and the Asia-Pacific. The demand for oleoresins and seasonings has led many players to focus on research and technology to manufacture innovative products.

<https://www.teacoffeespiceofindia.com/spice/spice-statistics>

QUALITY MEASURES

Since quality is an important parameter for export of Indian spices, the Spices Board established the Quality Evaluation Laboratory in 1989 for monitoring the quality of spices produced and processed in the country. The laboratory provides analytical services to the Indian spice industry, including analysis of samples collected for compulsory inspection on chillies, chilli products and turmeric powder for exports. The laboratory at Kochi has certifications from the British Standards Institution, UK for ISO 9001:2008 Quality Management System since 1997, ISO 14001:2004 Environmental Management System since 1999 and Accredited under the National Accreditation Board for Testing & Calibration Laboratories (NABL) (under the ISO/IEC: 17025:2005) in 2004. The activities of the laboratory are fully computerised and linked with the network since 1999. The laboratory has three divisions including chemistry lab, residue lab and microbiology lab which undertake speedy and efficient handling of the analysis as per the various parameters.

The various quality standards which are applicable are BIS, FSSAI, AGMARK, ASTA, ESA. The regional quality evaluation laboratories established across the country are as follows:

Laboratory (Year of establishment)
Mumbai, Maharashtra (2008)
Guntur, Andhra Pradesh (2010)
Gummidipoondi, Tamil Nadu (2011)
Narela, New Delhi (2012)
Tuticorin, Tamil Nadu (2013)

CODEX ALIMENTARIUS COMMISSION

The Codex Alimentarius Commission is responsible for the establishment of sound internationally agreed guidelines for national food control systems based on the criteria of consumer health protection and fair trade practices by taking into consideration the needs and special concerns of all countries. It provides member nations with a forum where they can meet and exchange ideas and information relevant to food safety and trade issues in order to elaborate food standards to facilitate international trade.

The key issues pertaining to Codex are:

- National Food Control System
- Private Standards
- Ractopamine
- Equivalence
- Labelling of Genetically Modified Foods
- Nutritional Labelling
- Exports

MEASURES TO BOOST EXPORT OF SPICES

Spices Board has implemented several export development/promotion programmes, which include adoption of upgraded technology in spice processing, setting up of quality evaluation labs by the exporters, quality certification, packaging development and bar coding, product development and research for high-end value addition, sending business samples abroad, setting up of common sterilization units and participation in international fairs/meetings/seminars. Spices Parks are also in the process of being established for providing common infrastructure facilities for cleaning, grading, processing, packing, storing, primarily to promote value addition and quality improvement of spices, alongwith backward linkages.

12TH PLAN SCHEMES OF SPICES BOARD

Under the 12th Plan, the Spices Board is focusing its initiatives towards the following broad areas:

- Export Oriented Production and Post-harvest Improvement.

- Export Development and Promotion.
- Export Oriented Research.
- Quality Improvement
- Spices Parks

<https://www.teacoffeespiceofindia.com/spice/spice-statistics>

ROAD AHEAD

Going forward, the adoption of food safety and quality assurance mechanisms such as Total Quality Management (TQM) including ISO 9000, ISO 22000, Hazard Analysis and Critical Control Points (HACCP), Good Manufacturing Practices (GMP) and Good Hygienic Practices (GHP) by the food processing industry offers several benefits. It would enable adherence to stringent quality and hygiene norms and thereby protect consumer health, prepare the industry to face global competition, enhance product acceptance by overseas buyers and keep the industry technologically abreast of international best practices.

Exchange Rate Used: INR 1 = US\$ 0.0155 as of April 17, 2017.

OUR BUSINESS

We are presently engaged into manufacturing, producing, processing, trading of consumer food items, Blended spices, whole spices and Grounded spices, Grocery, Instant Foods, Khakhra, Nakeens used at Diwali times, ready to cook products, dry fruits, Ghee, Pickles, Papad, Mukhwas etc. Few famous spices from the house of S.K. Masala are "Kashmiri Chilli powder", "Gram Masala", "Chicken Masala", "Milk Masala" & "Pav Bhaji Masala". Further these products are available in different varieties. We are able to serve better with such diversified product basket.

We believe that we have differentiated ourselves from our competitors through introduction of new products, including launching innovative flavours targeted at addressing consumer taste, market trends and providing superior value to consumers. Our diversified product portfolio enables us to cater to a wide range of taste preferences and consumer segments. Our products in the Ready to Eat, Instant Food, category are primarily targeted at the working woman while our other products are for all consumer segments. Our diversified product portfolio is therefore, relatively less susceptible to shifts in consumer preferences, market trends and risks of operating in a particular product segment.

Our Company has entered into a Brand Ambassador agreement with Mr. Ripu Daman Handa on June 07, 2017, who is a celebrity and won Master Chef in year 2013, Season 3 with channel Star Plus and is extensively known for his brand promotion and endorsement qualities who represents a brand in a positive light and by doing so helps to increase brand awareness and sales.

We have started our journey in 1968 in small scale and entered into partnership firm in year 1972. Our company has a manufacturing facility at Plot No:-5921, Sachin, GIDC, Surat, Gujarat, India. S. Khushaldas & Company known as S.K.Masala is known for quality spices which are started by Mrs. Kulusumben K. Panjawani in the year 1968 having its principal place of business at 9/1735, Chauta Bazar, Surat – 395003, Gujarat, India. The Firm was duly registered under the provisions of Indian Partnership Act, 1932 with Registrar of Firms at Surat (Gujarat) vide Registration No. GUJ/BRD/13262. The process of conversion of Firm into Body Corporate commenced by and under a partnership deed dated December 20, 2016, the other promoter Mr. Barkatbhai Panjwani and promoter group namely, Mr. Salimbhai Kamruddin Panjwani, Mr. Sahebali Salimbhai Panjwani, Mr. Sadik Salimbhai Panjwani, Ms. Minaz Barkatali Panjwani, Ms. Alwina Barkatali Panjwani and Ms. Amrin Barkatali Panjwani were admitted to the partnership and the name of the Firm was changed to M/s. S.K. Masala & Foods and the place of business was changed to 10/10, Chauta Bazar, Surat – 395003, Gujarat, India.

M/s. S.K. Masala & Foods has thereafter been converted from a partnership firm to a public limited company under the provisions of Part I of Chapter XXI of the Companies Act, 2013 to operate under the name of 'S.K. Masala and Foods Limited'. Our Company has received a certificate of incorporation from the Registrar of Companies, Ahmedabad on March 3, 2017 bearing CIN number U15549GJ2017PLC096061 hence most of the consents, approval, licenses, registrations, permissions are in the name of partnership firm.

Our promoter, Mr. Barkat Panjwani, who has been at the forefront of our Company's stellar performance over the years is the pillar of our Company's business ideology and growth strategies. We distribute our product across Gujarat and Saurashtra through various own franchisee and departmental stores. Our Company is associated with 4 (four) Franchisee in various part of Gujarat and in process of entering with few more Franchisee agreement.

We are equipped with all facilities to execute all types of manufacturing activities such as cleaning, drying, grading, grinding, packaging, etc. We have a well-equipped processing unit at Plot No:-5921, Sachin, GIDC, Surat, Gujarat, India with an area of 1008 Sq. mtr.

Our Company is consistent in supplying of quality products round the year as customized blends are made available to them as per the market demand. Our products comply with requisite food safety standards. As a quality conscious company, we provide high performance oriented range of products. We undertake extremely stringent quality checks at every level of the manufacturing processes. Our Company is ISO 22000:2005 certified for manufacturing of Spices, Flours, Ready to Cook Foods, Ready to Eat Foods, Instant Mix and Supply of Dry Fruits, Pickles, Papad, Ghee, Rice, Tea, Grocery and Khakra by British Certifications Inc and HACCP 15000:1998 certified by British Certifications Inc. for Manufacturing of Spices,

Flours, Ready to Cook Foods, Ready to Eat Foods, Instant Mix and Supply of Dry Fruits, Pickles, Papad, Ghee, Rice, Tea, Grocery and Khakra.

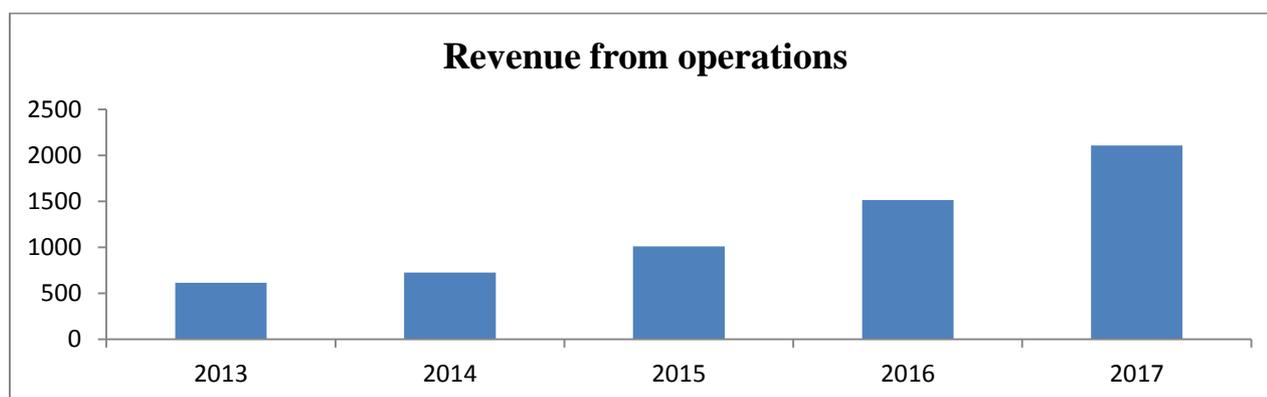
We are constantly striving to expand our line of products and we are always on the lookout for complementary products that will add to our solution bouquet. We would seek product lines which have better scope for value addition and therefore offer us higher than average margins.

Our Location

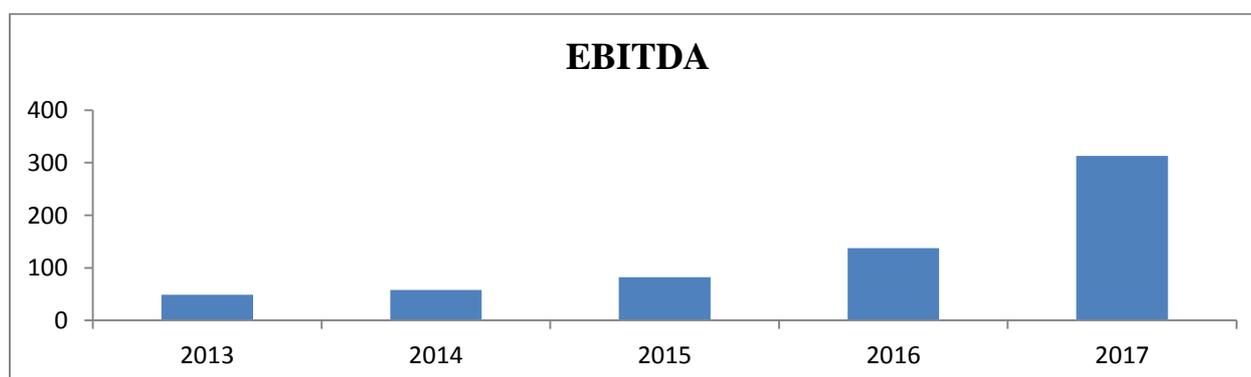
A detail of our locations is as follows:

Registered Office	Atlanta Enterprise, 2 nd Floor, Shop-43, Moje:Althan, Bhimrad Canal Road, Surat-395017, Gujarat, India
Processing Unit	Plot No:-5921, Sachin, GIDC, Surat, Gujarat, India
Stores	L-7, Bhavik Complex, Opp. Turning Point, Ghod Dod Road, Surat, Gujarat, India
	9/1735, Chauta Bazar, Surat, Gujarat, India
	Ward 10, Survey 9, Chauta Bazar area, Surat - Choryasi
	10/10 First Floor kelapath krushna Restaurant Chawta Bazar, Suart, India

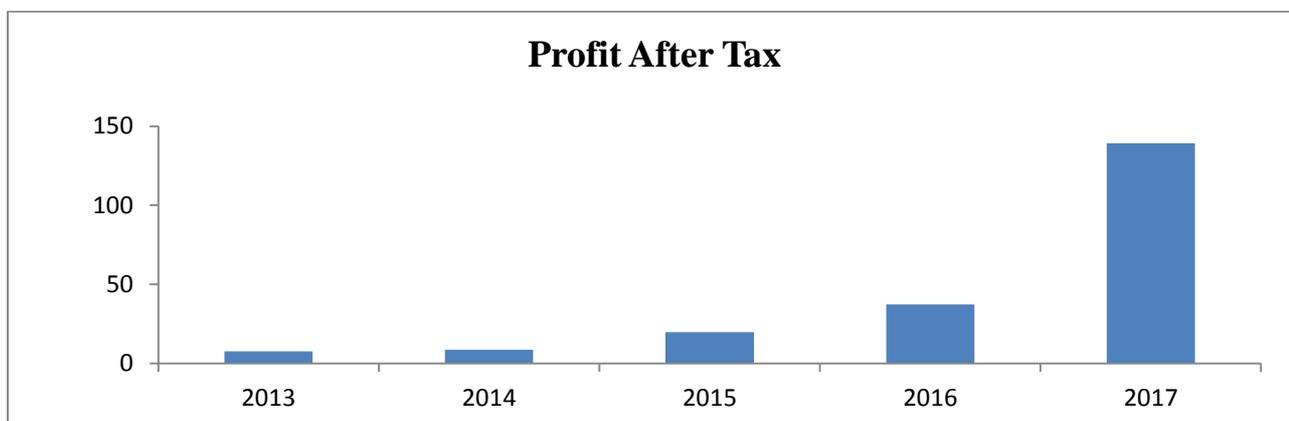
Our total revenue from operations increased from Rs.614.20 Lakh in Fiscal 2013 to Rs.2105.3 Lakh in Fiscal 2017, representing a CAGR of 85.69% on standalone basis.



Our total EBITDA increased from Rs.7.53 Lakh in Fiscal 2013 to Rs.139.28 Lakh in Fiscal 2017, representing a CAGR of 462.42% on standalone basis.



Our total Profit after Tax increased from Rs.48.58 Lakh in Fiscal 2013 to Rs.312.77 Lakh in Fiscal 2017, representing a CAGR of 160.96% on standalone basis.



SWOT ANALYSIS:

Strengths	Opportunities
<ul style="list-style-type: none"> • Cordial relations with Customers • Well Infrastructure • Experience Management Team • Diversified Product • Quality Maintenance 	<ul style="list-style-type: none"> • Growing acceptance by consumers • Rising in the demand for products
Weakness	Threats
<ul style="list-style-type: none"> • Dependent upon growth in food industry • Requirement of Finance • Limited market share 	<ul style="list-style-type: none"> • Changes of government policies • Fluctuations in raw material prices • Rising labor wages • Change of behavior of consumer demand

Our Strength:

We derive our strengths from following factors:

Diversified Product Basket

Our Company provides diversified product such as Blended Spices, Khakhra, Papad, Pickles, Ready to cook items. Further these products are available in different varieties. We are able to serve better with such diversified product basket. This helps us build brand recognition and Customer loyalty.

Strong and stable management team with proven ability

We believe that our management team has a long-term vision and has proven its ability to achieve long-term growth of the Company. Our Promoter has well experience in food processing industry. We believe that the strength of our management team and their understanding of the industry will enable us to continue to take advantage of current and future market opportunities. Mr. Barkat Panjwani, our Promoter and Managing Director, has well experience in food processing industries. He is supported by experienced and well-qualified staff at senior and middle management levels.

Well Established Brand name and goodwill amongst market players

We operate in a brand sensitive market. We have earned goodwill & competitive edge through our consistent quality oriented service. Few famous spices from the house of S.K. Masala are "Kashmiri Chilli powder", "Gram Masala", "Chicken Masala", "Milk Masala" & "Pav Bhaji Masala". Our qualitative and customer demand satisfying products helps us to achieve brand recall among our consumers which strengths our brand equity.

Quality Standards

Our Company believes in providing quality products to its customers and for that follows Indian as well as International quality standards for our products. We undertake extremely stringent quality checks at every level of the manufacturing processes. Our Company is ISO 22000:2005 certified for manufacturing of Spices, Flours, Ready to Cook Foods, Ready to Eat Foods, Instant Mix and Supply of Dry Fruits, Pickles, Papad, Ghee, Rice, Tea, Grocery and Khakra by British Certifications Inc and HACCP 15000:1998 certified by British Certifications Inc. for Manufacturing of Spices, Flours,

Ready to Cook Foods, Ready to Eat Foods, Instant Mix and Supply of Dry Fruits, Pickles, Papad, Ghee, Rice, Tea, Grocery and Khakra. We have a separate division devoted to quality assurance with highly equipped standard room carrying all measuring equipments with latest technology. We also undertake sample check of our products based on the quality guidance prescribed by our customers. We believe that our quality products have earned us a goodwill from our customers, which has resulted in customer retention and order repetition also new addition to the customer base. We follow utmost quality standards for our areas of operation.

Our Growth Strategy

Deeper penetration in Gujarat and Saurashtra markets and explore select new territories nearby

Our key focus is to increase our penetration in the markets where we currently operate by replicating the same proposition that has helped us grow our brand. We intend to deepen penetration in the the states of Gujarat and Saurashtra. We believe that there is an increasing trend toward modern retail trade in the urban markets due to the availability of multiple brands and varieties, offers and discounts, and the option to purchase all products under one roof. To increase visibility and build our brand in our existing markets we intend to focus on sale of our products to such premium outlets.

Value proposition for consumers

We plan to grow our business primarily by growing the number of client relationships, as we believe that increased client relationships will add stability to our business. Our brand equity has increased over the years, driven by product innovation and cost efficiencies in our production and distribution operations, and offering superior value proposition for consumers, through a wide range of our products. We believe that the relatively high grammage and consequent value proposition that we offer to the price conscious middle-class Indian consumers who form a large proportion of the consumer market in India, has been an important factor in the growth and acceptance of our brand and our market share, particularly in the urban, semi-urban and rural markets in India. We seek to build on existing relationships and also focus on bringing into our portfolio more clients. Our Company believes that business is a by-product of relationship. Our Company believes that a long-term client relationship with large clients reap fruitful returns. Long-term relations are built on trust and continuous meeting with the requirements of the customers.

Strengthening our brand

We intend to invest in developing and enhancing recognition of our brands, through brand building efforts, communication and promotional initiatives such as exhibitions, fairs, organizing food events, participation in industry events, public relations and investor relations efforts. This will help us to maintain and improve our global and local reach. We believe that our branding exercise will enhance the recall value and trust in the minds of our customers and will help in increasing demand for our products.

Penetration into global markets

We are looking forward to enter into global markets and we plan to target countries where we can leverage our track record and experience in India to compete effectively and expand our revenue base.

Tie Up With more Franchisee

We are associated with some franchisees such as Jitendra Masala Bhandar, Hariom Enterprise, Chintav Enterprise, Khodal Enterprise etc. which can establish our presence in market.

Improving Efficiency

Our company intends to improve operating efficiencies to achieve. Higher operational effectiveness results in greater production volumes and higher sales, and allow us to spread fixed costs over a higher number of units sold, thereby increasing profit margins.

Our products are categorized as below:

Sr. No	Product	Product Name	Varieties
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1.



Blended Spices

Mumbai Pavbhaji Masala, Super Garam Masala, Pani Puri Masala, Chaat Masala, Jaljira Masalaala, Idli Sambar Masala, Punjabi Chole Masala, Fish Masala, Kesari Milk Masala, Pizza Masala, Biryani Pulav Masala, Chicken Lollypop, Chicken Masala, Dabeli Masala, Ganthoda Powder, Gol Keri Sambhar Masala, Gunda Keri Sambhar Masala, Instant Gravy (Jain) Masala, Special Garam Masala.

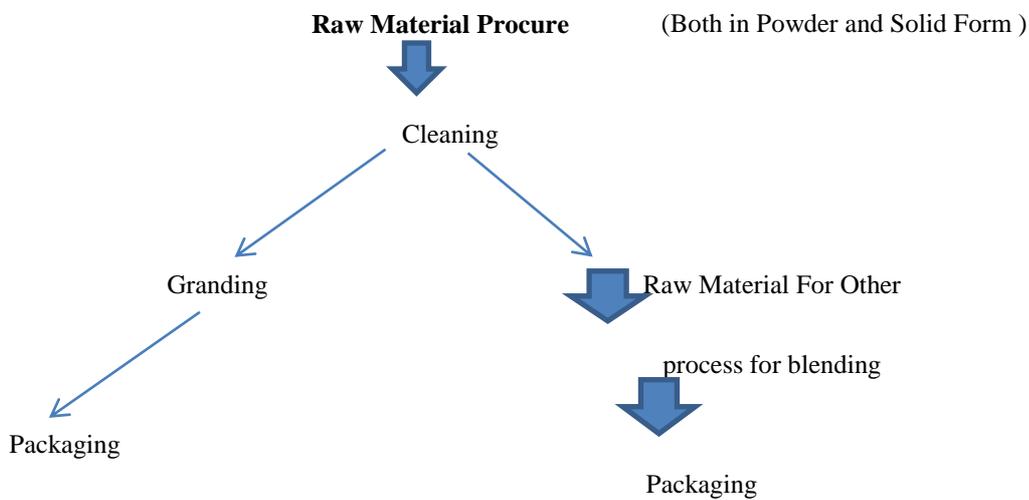
<p>2.</p>		<p>Whole & Ground Spices</p>	<p>Turmeric Powder, Kashmiri Chilli Powder, Corriander Powder, Ajama, Amchur Powder, Avrai Powder, Badiyan, Batrisu Powder, Boriya Marcha, Custard Powder, Dhana Dal, Dagar Fool, Dhana Kuriya, Elaichi Green, Ganthoda Aakha, Hira Bor, Hirakani Gunder, Javantri, Jayafal, Jiru, Sanchal Powder, Sakar, Safed Mari, Methi Powder, Limbu, Kokam Lonawala, Khas Khas, Kalkatti Pan</p>
<p>3.</p>		<p>Flour</p>	<p>Besan, Maida, Sooji, Rava and Wheat Flour</p>

4.	  	Grocery	Aajma, Dhana Dal, Dhani, Elaichi, Jeera , Rai, Suva, Laving Instant (Ready Mix): Dum Aalu Mix, Palak Paneer Mix, Paneer Tikka Masala, Chicken 65 Mix, Chicken Lollypop Mix
5.	 	Khakhra	Cholafali Khakhra, Garlic Khakhra , Jira Khakhra, Masala Khakhra, Manchurian Khakhra, Palak Khakhra, Panipuri Khakhra
6.	 	Pickles	Gol Keri (Sweet Mango), Green Chilly Pickle, Kerda Pickle, Sweet Limbu, Mix Pickles

7.		Papad	Jira Papad, Lasan Papad, Mari Papad, Tiranga Papad.
8.		Ready to Eat	Ready To Eat Pavbhaji, Ready To Eat Dal Fry , Ready To Eat Dal Makhani, Ready To Eat Dal Tadaka, Ready To Eat Jain Dal Fry, Ready To Eat Mutter Panner, Ready To Eat Panner Bhurji
9.		Dry Fruit	Sweet Aamala, Pista Sada, Pista Namakin, Namakin Pista, Namakin Adu, Marcha Kaju, Kismish Chaman, Kismish Black, Kismish Sanduka, Kismish Chaman, Kharek, Kaju Tukada, Kaju Super, Badam American, Green Pista, Badam Mamaro, Anjir Super, Akharot Aakha, Aalu Super

10.		Mukhwas	Aajma Dal, Digestive Mukhwas, Chocolate Mukhwas, Delivery Mukhwas, Digestiv Mukhwas, Dilkhush Mukhwas, Green Mukhwas, Gulab Mukhwas, Mango Mukhwas, Namkin Dry Fruit Mukhwas, Navrang Mukhwas, Puna Mukhwas, Royal Mukhwas, Shahi Mukhwas, Special Mukhwas, Swadist Mukhwas, Sweet Namkin Mukhwas, Testi Mukhwas
11.		Ghee	Cow Ghee, pure ghee
12.		Ready to Cook	Pavbhaji,

Manufacturing Flow Chart



MANUFACTURING PROCESS OF GROUNDED SPICES:

Grounded Spices:

Step 1: The Company procures the basic raw materials i.e. whole spices indigenously from wholesale suppliers .

Step 2: Whole Spices are cleaned and sorted as per requirements

Step 3: After cleaning and sorting, it is processed for first cutting converting in to semi finished goods.

Step 4: After completion of first cutting, it is processed for second and third level of cutting and consequent grinding.

Step 5: Drying of Spices

Step 6: Spices are being sent for testing and quality checks.

Step 7: if Goods do not pass the test, then it will sent to Warehouse as a Rejected Raw material & If Goods Pass the Test, Then it will be sent further to packing department.

Step 8: Under Packing division, the goods undergo a process of Weighing, Sealing, Cutting, Batch Coding & Packing and later on assembling, leveling, packing of branded goods in Bigger Boxes, its being dispatched to to customers.

MANUFACTURING PROCESS OF BLENDED SPICES:

Blended Spices:

Step 1: The Company procures the basic raw materials i.e. whole spices indigenously from wholesale suppliers.

Step 2: Whole Spices are cleaned and sorted as per requirements

Step 3: After cleaning and sorting, it is processed grinding and blending as per prescribed recipes.

Step 4: Drying of Spices

Step 5: Spices are being sent for testing and quality checks.

Step 6: if Goods do not pass the test, then it will sent to Godown as a Rejected Raw material & If Goods Pass the Test, Then it will be sent further to packing department.

Step 7: Under Packing division, the goods undergo a process of Weighing, Sealing, Cutting, Batch Coding & Packing and later on assembling, leveling, packing of branded goods in Bigger Boxes, , its being dispatched to customers.





OUR MANUFACTURING UNIT

We have a well-equipped manufacturing cum processing unit at Plot No:-5921, Sachin, GIDC, Surat, Gujarat, India. Stated below are the brief details of some of the major equipments/machines utilized at our manufacturing unit.

Sr. No	Machines & Testing Equipments	Quantity
1	Kawach Servo SP700.B34	1
2	Clutch Brake Auger For 10 Gm Spic	1
3	Rewinding Machine Model No OMRew SP 021	1
4	Electronic Weight Machine	3
5	Eco Plus 32	1
6	Destoner Machine	2
7	Semiautomatic Auger Filler	1
8	Ribbon Blender For Powder Mixing	1
9	F.F.S WITH Auger Filler	1
10	Semiautomatic Double Head Weigh Filler	1
11	Vaccume Packing Machine	1
12	Semiautomatic Auger Filler	7
13	Ribbon Blender For Powder Mixing	2

COLLABORATIONS

We have not entered into any technical or other collaboration.

RAW MATERIAL & OTHER UTILITIES

Suppliers

We source our raw materials from agriculture wholesalers. The major suppliers are as below:

Sr. No.	Name of Suppliers	Location
1	Manish Flour Milk	Gujarat

2	Shyam Foods	Gujarat
3	Shree Veer Milk Product	Gujarat
4	Jayshri Polymers	Gujarat
5	T Jaspal	Gujarat
6	Suman Guru Udhyog	Gujarat
7	Parekh & Company	Gujarat
8	Tenta Pure Foods	Gujarat
9	Shree Ganesh Ploymers	Gujarat
10	Shree Ganesh Ploymers	Andhra Pradesh

Utilities

Our spices processing unit for manufacturing is located at Plot No:-5921, Sachin, GIDC, Surat, Gujarat, India, a well developed industrial belt for industry where the utilities like power and manpower are easily available.

Power

Power is sourced from state electricity board.

Water

The manufacturing process does not have major water requirements.

Manpower

The details of manpower employed as on date are as under:

Category	No. of Employees
Managing Director	1
Company Secretary	1
Chief Financial Officer	1
Production Manager	3
Production Executive	2
Sales Manager	2
Sales Assistant	1
Store and Back Office	5
Accounts Manager	1
Accounts Assistant	1

MAJOR CUSTOMERS

Sr. No	Customer	Net Amount	% of Revenue
1.	Colours Low Cashew	20206062.00	21.14
2.	B.N.Enterprise	13614538.00	14.24
3.	Rajdeep Corporation	12660500.00	13.25
4.	M.A.Trading	7707628.00	8.06
5.	Deep Enterprise	4409894.00	4.61
6.	Ani Tradelink Pvt. Ltd.	4123598.00	4.31
7.	Sachin Sales Agency	2178819.00	2.28

COMPETITION

The Indian spices market is largely fragmented comprising of organized and unorganized sectors. The rates vary depending upon the demand supply pattern prevailing in the market. Geographies also play a vital role in deciding the rates. The produce is marketable in the open market. We face competition from local manufactures as well as from organized players

which are larger and have substantially greater resources than us. However, we have been able to leverage economies of scale to gain an advantage.

INSURANCE POLICIES

Name of Insurance Company	Name of Insured	Type of Policy	Policy No	Sum Insured	Premium(Rs)
The New India Assurance Co Ltd	S. Khushaldas & Co	Standard Fire and Special Perils Policy	23010011100100002394	44716000/-	97754/-
The New India Assurance Co Ltd	S. Khushaldas & Co	Shopkeepers insurance	23010048160600000498	12,73,001	3232/-

INTELLECTUAL PROPERTY

For details regarding Intellectual Property please refer “*Government and Other Approvals*” on page 190 of this DRHP.

OUR PROPERTIES

Particulars	Location	Owned/ Lease Rented
Registered Office	Atlanta Enterprise, 2nd Floor, Shop-43, Moje:Althan, Bhimrad Canal Road, Surat-395017, Gujarat, India	Licensed Rented
Manufacturing Unit	Plot No:-5921, Sachin, GIDC, Surat, Gujarat, India	Owned
Store	L-7, Bhavik Complex, Opp. Turning Point, Ghod Dod Road, Surat, Gujarat, India	Licensed Rented
	9/1735, Chauta Bazar Surat, Gujarat, India	Owned
	10/10 First Floor kelapath krushna Restaurant Chawta Bazar, Suart, India	Owned
	Ward 10, Survey 9, Chauta Bazar area, Surat - Choryasi	Owned

Awards and Recognitions



Outstanding Young Indian Award



Alliance Utsav Award



KEY REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations as prescribed by the Government of India or State Governments which are applicable to our Company. The information detailed in this section has been obtained from publications available in the public domain. The regulations and descriptions thereof, as set out below, may not be exhaustive, and are only intended to provide general information to the buyers and is neither designed nor intended to be a substitute for professional legal advice. Further, interpretations of the regulations are subject to legislative, judicial and administrative decisions.

Key regulations in relation to the food industry in India

Business Related

The Food Safety and Standards Act, 2006 (“FSSA”)

The FSSA was enacted on August 23, 2006 repealing and replacing the Prevention of Food Adulteration Act, 1954. The FSSA seeks to consolidate the laws relating to food and establish the Food Safety and Standards Authority of India (“FSSAI”) for setting out scientific standards for articles of food and to regulate their manufacture, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption.

The standards prescribed by the FSSAI include specifications for ingredients, contaminants, pesticide residue, biological hazards and labels. Under Section 31 of the FSSA, no person may carry on any food business except under a license granted by the FSSAI. The FSSA sets forth the requirements for licensing and registering food businesses in addition to laying down the general principles for safety, responsibilities and liabilities of food business operators.

The enforcement of the FSSA is generally facilitated by ‘state commissioners of food safety’ and other officials at a local level. Under Section 51 of the FSSA, any person who manufactures sub-standard food for human consumption is liable to pay a penalty which may extend up to ₹ 5,00,000. FSSA has defined sub-standard as, an article of food which does not meet the specified standards but not so as to render the article of food unsafe. The provisions of the FSSA require every distributor to be able to identify any food article by its manufacturer, and every seller by its distributor that should be registered under the FSSA and every entity in the sector is bound to initiate recall procedures if it finds that the food marketed has violated specified standards. Food business operators are required to ensure that persons in their employment do not suffer from infectious or contagious diseases. The FSSA also imposes liabilities upon manufacturers, packers, wholesalers, distributors and sellers requiring them to ensure that, inter alia, unsafe and misbranded products are not sold or supplied in the market.

Furthermore, to address certain specific aspects of the FSSA, the FSSAI has framed several regulations including the Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011.

The FSSAI has also framed the Food Safety and Standards Rules, 2011 (“FSSR”) which have been operative since August 5, 2011. The FSSR provides the procedure for registration and licensing process for food business and lays down detailed standards for various food products. The FSSR also sets out the enforcement structure of ‘commissioner of food safety’, ‘the food safety officer’ and ‘the food analyst’ and procedures of taking extracts, seizure, sampling and analysis.

Legal Metrology Act, 2009 (“Legal Metrology Act”)

The Legal Metrology Act came into effect on January 14, 2010 and has repealed and replaced the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The Legal Metrology Act provides that for prescribed specifications for all weights and measures used by an entity to be based on metric system only. Such weights and measures are required to be verified and re-verified periodically before usage. Under the provisions of the Legal Metrology Act, pre-packaged commodities are required to bear statutory

declarations and entities are required to obtain a registration of the instruments used before import of any weight or measure. Approval of model is required before manufacture or import of any weight or measure. Without a license under the Legal Metrology Act, weights or measures may not be manufactured, sold or repaired.

Legal Metrology (Packaged Commodities) Rules, 2011 (the “Packaged Commodities Rules”)

The Packaged Commodities Rules was framed under Section 52(2) (j) and (q) of the Legal Metrology Act and lays down specific provisions applicable to packages intended for retail sale, whole sale and for export and import. A “pre-packaged commodity” means a commodity which without the purchaser being present is placed in a package of a pre-determined quantity. The key provisions of the Packaged Commodities Rules are:

- It is illegal to manufacture, pack, sell, import, distribute, deliver, offer, expose or possess for sale any pre-packaged commodity unless the package is in such standard quantities or number and bears thereon such declarations as prescribed;
- All pre-packaged commodities must conform to the declarations provided thereon as per the requirement of Section 18(1) of the Legal Metrology Act; and
- No pre-packaged commodity shall be packed with error in net quantity beyond the limit prescribed in the first schedule of the Packaged Commodity Rules.

Consumer Protection Act, 1986 (“CPA”)

CPA aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. CPA provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods, deficiency in services, price charged being unlawful and goods being hazardous to life and safety when used. CPA provides for a three - tier consumer grievance redressal mechanism at the national, state and district levels. Non - compliance of the orders of these authorities attracts civil and or criminal penalties

Bombay Shops and Establishments Act, 1948

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

Gujarat Fire Prevention and Life Safety Measures Act, 2013

The state legislatures have also enacted fire control and safety rules and regulations such as the Gujarat Fire Prevention and Life Safety Measures Act, 2013 and its Rules and Regulation, which is applicable to our manufacturing units. The legislation includes provisions in relation to provision of fire safety and life saving measures by occupiers of buildings, licensing provisions and penalties for non-compliance.

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

The Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951 (“**MSMED Act**”) inter-alia seeks to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. The MSMED Act inter-alia empowers the Central Government to classify by notification, any class of enterprises including inter-alia, a company, a partnership, firm or undertaking by whatever name called, engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 as: (i) a micro enterprise, where the investment in plant and machinery does not exceed M 25,00,000/- (Rupees Twenty Five Lakhs Only); (ii) a small enterprise, where the investment in plant and machinery is more than M 25,00,000/- (Rupees Twenty Five Lakh Only) but does not exceed M 5,00,00,000/- (Rupees Five Crores Only); or (iii) a medium enterprise, where the investment in plant and machinery is more than M 5,00,00,000/- (Rupees Five Crores Only) but does not exceed Rs.10,00,00,000/- (Rupees Ten Crores Only). In case

of enterprises engaged in providing or rendering of services, the enterprise may be classified as: (i) a micro enterprise, where the investment in equipment does not exceed Rs.10,00,000/- (Rupees Ten Lakhs Only); (ii) a small enterprise, where the investment in equipment is more than Rs. 10,00,000/- (Rupees Ten Lakhs Only) but does not exceed Rs. 2,00,00,000/- (Rupees Two Crores Only); or (iii) a medium enterprise, where the investment in equipment is more than Rs. 2,00,00,000/- (Rupees Two Crores Only) but does not exceed Rs. 5,00,00,000/- (Rupees Five Crores Only). The MSMED Act also inter-alia stipulates that any person who intends to establish, a micro or small enterprise or a medium enterprise engaged in rendering of services, may at his discretion and a medium enterprise engaged in the manufacture or production of goods as specified hereinabove, file a memorandum of micro, small or medium enterprise, as the case may be, with the prescribed authority.

Laws relating to employment

The Factories Act, 1948 (“Factories Act”) and The Gujarat Factories Rules, 1963

The Factories Act defines a factory to cover any premises which employs 10 or more workers and in which manufacturing process is carried on with the aid of power and any premises where there are at least 20 workers, even while there may not be an electrically aided manufacturing process being carried on. State Governments have the authority to formulate rules in respect of matters such as prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. There is a prohibition on employing children below the age of fourteen years in a factory. The occupier is required to submit a written notice to the chief inspector of factories containing all the details of the factory, the owner, manager and himself, nature of activities and such other prescribed information prior to occupying or using any premises as a factory. The occupier is required to ensure, as far as it is reasonably practicable, the health, safety and welfare of all workers while they are at work in the factory.

In addition to the Factories Act, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws applicable to the business and operations of Indian companies engaged in manufacturing activities:

- *Industrial Employment (Standing Orders) Act, 1946;*
- *Contract Labour (Regulation and Abolition) Act, 1970;*
- *Employees’ State Insurance (General) Regulations, 1950 read with Employees’ State Insurance Act, 1948;*
- *Industrial Employment (Standing Orders) Act, 1946*
- *Employees’ Compensation Act, 1923;*
- *Industrial Disputes Act, 1947 and Industrial Dispute (Central) Rules, 1957;*
- *Maternity Benefit Act, 1961;*
- *Minimum Wages Act, 1948;*
- *Payment of Bonus Act, 1965;*
- *Child Labour Prohibition and Regulation Act, 1986;*
- *The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013;*
- *Payment of Gratuity Act, 1972; and*
- *Payment of Wages Act, 1936.*

Intellectual Property Laws

The Trademarks Act, 1999 (“Trademarks Act”)

The Trademarks Act provides for the process for making an application and obtaining registration of trademarks in India. The purpose of the Trademarks Act is to grant exclusive rights to marks such as a brand, label, heading and to obtain relief in case of infringement for commercial purposes as a trade description. The Trademarks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks.

The Trademarks Act is supplemented by the Trademarks Rules, 2002. Rule 38 of the Trademarks Rules, 2002 deals with expedited examination. An applicant, after receiving an application number from the Registrar of Trademarks (an acknowledgment of receipt of application) can file Form TM 63 along with a fee and a reasoned request for an expedited examination of his application. If the Registrar of Trademarks declines the request, the fee is refunded.

The Copyright Act, 1957 (“Copyright Act”)

The Copyright Act governs copyright protection in India. Registration under the Copyright Act acts as a prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations.

Environmental Laws

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

The Environment Act has been enacted for the protection and improvement of the environment. The Environment Act empowers the GoI to take measures to protect and improve the environment such as by laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and so on. The GoI may make rules for regulating environmental pollution.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the “Hazardous Waste Rules”)

The Hazardous Waste Rules are to be read with the Environment Act. The term “hazardous waste” has been defined in the Hazardous Waste Rules and any person who has, control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an “occupier”. Furthermore, in terms of the Hazardous Waste Rules, the occupier has been, inter alia, made responsible for safe and environmentally sound handling of hazardous wastes generated in his establishment and shall require license/authorisation for generation, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer or the like of the hazardous waste from the State Pollution Control Board.

Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981

The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (“PCBs”), which are vested with diverse powers to deal with water and air pollution, have been set up in each State. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power to carry out search, seizure and investigation if the authorities are aware of or suspect pollution that is not in accordance with such regulations. All industries and factories are required to obtain consent orders from the PCBs, which are indicative of the fact that the factory or industry in question is functioning in compliance with the pollution control norms. These consent orders are required to be renewed annually.

Taxation Laws

The following is an indicative list of tax related laws that are applicable to our Company:

Central:

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.

The Central Goods and Service Tax Act, 2017

Goods and Services Tax (GST) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the central and state governments.

State:

- C. *Gujarat Goods and Service Tax Act, 2017;*
- D. *Gujarat Panchayats, Municipalities, Municipal Corporations and State Tax on Professions, Traders, Callings and Employment Act, 1976; and*
- E. *Gujarat Stamp Act, 1958.*

General Laws

- *Companies Act;*
- *Indian Registration Act, 1908;*
- *The Indian Contract Act, 1872;*
- *The Specific Relief Act, 1963;*
- *Competition Act, 2002; and*
- *Sale of Goods Act, 1930.*

OUR HISTORY AND CERTAIN CORPORATE MATTERS

History and Background

Our Company was originally formed and registered as a partnership firm under the Partnership Act, 1932 in name and style of 'M/s. S. Khusaldas & Co.' having its principal place of business at 9/1735, Chauta Bazar, Surat – 395003, Gujarat by in small scale as household business in year 1972 by Kulsum Kamaruddin Panjawani and Sabanali Meralibhai Jasani. Ms. Kulsum Kamaruddin Panjawani and Sabanali Meralibhai Jasani were the mother and uncle of our Promoter, Mr. Barkatali Karmaruddin Panjvani. Our Company started business through more corporatisation manner since year 1992. The firm was duly registered under the provisions of Indian Partnership Act, 1932 with Registrar of Firms at Surat (Gujarat) vide Registration No. GUJ/BRD/13262. By and under a partnership deed dated December 20, 2016, the other promoters namely, Mr. Salimbhai Kamruddin Panjwani, Mr. Sahebali Salimbhai Panjwani, Mr. Sadik Salimbhai Panjwani, Ms. Minaz Barkatali Panjwani, Ms. Alwina Barkatali Panjwani and Ms. Amrin Barkatali Panjwani were admitted to the partnership and the name of the Firm was changed to M/s. S.K. Masala & Foods and the place of business was changed to 10/10, Chauta Bazar, Surat – 395003, Gujarat, India.

Year	Our Background
1972	Inception of our business in small scale under name M/s. S Khusaldas & Co.through partnership firm
1977	Mr. Salim Panjwani and Jigarali Jasani have joined the partnership firm.
1981	Mr. Barkatali Panjwani has joined the Partnership firm and Jigarali jasani has retired from the partnership firm
1987	Sabanali Panjwani has retired from the partnership firm
2016	Sahebali Panjwani, Sadikali Panjwani, Minaz Panjwani, Alwina Panjwani, Amrin Panjwani has joined the partnership firm
2017	Conversion of Partnership firm into Company as S K Masala and Foods Limited.

M/s. S.K. Masala & Foods has thereafter been converted from a partnership firm to a public limited company under the provisions of Part I of Chapter XXI of the Companies Act, 2013 to operate under the name of 'S.K. Masala and Foods Limited'. Our Company has received a certificate of incorporation from the Registrar of Companies, Ahmedabad on March 3, 2017 bearing Registration No. 096061. The Corporate Identity Number of our Company is U15549GJ2017PLC096061.

Mr. Barkatali Kamruddin Panjwani, Mr. Salimbhai Kamruddin Panjwani, Mr. Sahebali Salimbhai Panjwani, Mr. Sadik Salimbhai Panjwani, Ms. Minaz Barkatali Panjwani, Ms. Alwina Barkatali Panjwani and Ms. Amrin Barkatali Panjwani (the partners of M/s. S.K. Masala & Foods) are the initial subscribers to the Memorandum of Association of our Company.

Changes in registered office of our Company since incorporation

The registered office of our Company has not been changed since incorporation of the Company. The registered office of the Company is situated at Office 243, 2nd Floor, Atlanta Shopping Mall, Moje Althan, Bhimrad Canal Road, Surat. The office address of our Firm was changed from 9/1735, Chauta Bazar, Surat – 395003, Gujarat to 10/10, Chauta Bazar, Surat – 395003, Gujarat on December 20, 2016.

Key Milestones

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

Year	Key Milestones
1972	Inception of the partnership firm M/s. S Khushaldas & Co. with partners Kulsamben and Sabanali Panjwani
1977	Mr. Salim Panjwani and Jigarali Jasani has joined the partnership firm.
1981	Mr. Barkatali Panjwani has joined the Partnership firm and Jigarali jasani has retired from the partnership firm
1987	Sabanali Panjwani has retired from the partnership firm
2016	Sahebali Panjwani, Sadikali Panjwani, Minaz Panjwani, Alwina Panjwani, Amrin Panjwani has joined the partnership firm
2017	<ol style="list-style-type: none"> 1. Brand Ambassabor Mr. Ripudaman has agreed to promote our Company. 2. 6 (six) Franchisee agreements have been entered. 3. U.S Food and Drug Administration (FDA) has registered our facility as per their requirement.

Main Objects under the Memorandum of Association

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

To carry on in India or elsewhere the business to manufacture, produce, process, prepare, disinfect, ferment ate, compound, mix, clean, wash, concentrate, crush, grind, segregate, pack, repack, add, remove, heat, grade, preserve, freeze, distillate, boil, sterilize, improve, extract, refine, buy, sell, resell, import, export, barter, transport, store, forward, distribute, dispose, develop, handle, manipulate, market, supply and to act as agent, broker, representative, consultant, collaborator, adatia, stockiest, liasioner, middleman, export house, job worker or otherwise to deal in all types, descriptions, tastes, uses and packs of consumer food items, their by products, ingredients, derivatives, residues, including foods and vegetables, packed foods, powders, pastes, liquids, drinks, beverages, juices, jams, jelly, squashes, pickles, sausages, concentrates, extracts, essences, flavors, syrups, sarbats, flavored drinks, health and diet drinks, extruded foods, frozen foods, dehydrated foods, pre cooked foods, canned foods, preserved foods, health foods, fast foods, cream, cheese, butter, biscuits, breads, cakes, pastries, confectionery, sweets, chocolates, toffees, breakfast foods, protein foods, die tic products, strained baby foods, instant foods, cereal products, table delicacies, dry fruits, packs of spices used in vegetarian and non-vegetarian preparation of foods made of chili, salt, cubes, ginger, king's cumin, mustard, thymol, tamarind, black pepper, saffron, nutmeg, mace, cumin seed, basil, cassia, cinnamon, cloves, cardamom, dry ginger, turmeric, aniseed, asafetida and all other items whether natural, artificial or synthetic of a character similar or analogous to the foregoing or connected therewith.

Amendments to the Memorandum and Articles of Association of our Company

Date of Resolution/ Change	Particulars of change
September 11, 2017	Increased in Authorised Share capital of our Company from Rs.3,22,00,000/- to Rs. 9,50,00,000/-

Other Details Regarding our Company

For information on our activities, services, products, growth, technology, marketing strategy, our standing with reference to our prominent competitors and customers, please refer to sections titled 'Our Business', 'Industry Overview' and 'Management's Discussion and Analysis of Financial Conditions and Results of Operations' beginning on pages 92, 111 and 160 respectively of this Draft Red Herring Prospectus.. For details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled 'Our Management' and 'Capital Structure' beginning on pages 115 and 50 respectively of this Draft Red Herring Prospectus..

Capacity/facility creation, location of plant, products, marketing, competition etc.

For details on capacity/ facility creation, location of plant, products, marketing, competition, etc please see the chapter titled “Our Business” beginning on page 92 of this Draft Red Herring Prospectus.

Location of Plant: Sachin, Gujrat. For further details please refer “*Our Business*” on page no. 92.

Raising of capital in form of equity or debt

Except as set out in the section titled "Capital Structure" beginning on page 50 of this Draft Red Herring Prospectus., our Company has not raised any capital in the form of Equity Shares or debentures.

Time and Cost Overrun in setting-up of projects including the proposed project,

Our Company has not experienced any time or cost overrun in relation to setting up of projects.

Defaults or rescheduling of borrowings with financial institutions/ banks, conversion of loans into equity along with reasons thereof

There have been no defaults or rescheduling of borrowings with financial institutions/banks in respect of our current borrowings.

Strikes or Labour Unrest

There have been no lock-outs or strikes in our Company since incorporation.

Details regarding the changes in the activities of the issuer during the last five years which may have had a material effect on the profits/loss, including discontinuance of lines of business, loss of agencies or markets and similar factors.

There has been no change in the activities of our Company during the period of 5 (five) years prior to the date of filing of this Draft Red Herring Prospectus which may have had a material effect on the profits or loss of our Company or affected our business including discontinuance of lines of business, loss of agencies or markets and similar factors.

Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets etc.

There are no mergers, amalgamation, revaluation of assets etc. with respect to our Company as on the date of this Draft Red Herring Prospectus.

Injunction or restraining order

Our Company is not operating under any injunction or restraining order.

Technology, market, managerial competence and capacity built-up

For details on technology, market, managerial competence and capacity built-up, please see the chapter titled “Our Business” beginning on page 92 of this Draft Red Herring Prospectus.

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

There have been no changes in the activity of our Company since the incorporation of the Company, which may have had a material effect on the profits or loss, including discontinuance of the lines of business, loss of agencies or markets and similar factors of our Company.

Shareholders of our Company

As on the date of this Draft Red Herring Prospectus, our Company has 7 (seven) shareholders. For further details in relation to the current shareholding pattern, please refer to section titled 'Capital Structure' beginning on page 50 of this Draft Red Herring Prospectus.

1. Holding Company

Our Company does not have a holding company as on the date of this Draft Red Herring Prospectus.

2. Subsidiary(ies) of our Company

Our Company does not have any subsidiary as on the date of this Draft Red Herring Prospectus.

3. Shareholders Agreements

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

Guarantees given to third parties by the promoters offering their shares in the proposed offer for sale

The promoters offering their shares in this Offer have not given any guarantees to any third parties.

4. Material Agreements

Our Company has not entered into any material agreement, other than the agreements entered into by it in normal course of its business.

Strategic Partners

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

Financial Partners

Our Company does not have any financial partners as on the date of this Draft Red Herring Prospectus..

OUR MANAGEMENT

Board of Directors

As on the date of this Draft Red Herring Prospectus, the Board comprises of Seven (7) directors, including One (1) Executive Director, Three (3) Non-Executive and Non Independent Directors and Three (3) Independent Directors.

Sl. No.	Name, Designation, Address, Occupation, Nationality, Term & DIN	Age (in years)	Other Directorships as on the date of this Draft Red Herring Prospectus
1.	Mr. Barkatali Kamruddin Panjwani DIN: 07666611 Date of Appointment: 03/03/2017 Occupation: Business Designation: Managing Director Address: 30, Karimabad Society, Majura, Surat-395001 Gujarat, India. Nationality: Indian Term: 5 Years	57	Nil
2.	Mr. Sahebali Salimbhai Panjwani DIN: 07666673 Date of Appointment: 24/07/2017 Occupation: Profession Designation: Non-Executive and Non-Independent Director Address: 30, Karimabad Society, Ghod Dod Road Surat-395007, Gujarat Nationality: Indian Term: Liable to retire by rotation	36	Nil
3.	Ms. Alwina Barkatali Panjwani DIN: 07674928 Date of Appointment: 24/07/2017 Occupation: Business Designation: Non Executive and Non Independent Director Address: 30, Karimabad Society, Majura, Surat-395001, Gujarat, India Nationality: Indian Term: Liable to retire by rotation	27	NIL
4.	Mrs. Minaz Barkatali Panjwani DIN: 07685696 Date of Appointment: 03/03/2017 Occupation: Business Designation: Executive Director Address: Banglow No - 30, Karimabad Society Ghod Dod Road, Surat- 395007, Gujarat, India Nationality: Indian Term: 5 years	51	NIL
5.	Mr. Asit Madhusudan Pachchigar DIN: 07938195 Date of Appointment: September 27, 2017 Occupation: Business Designation: Non-Executive and Independent Director Address: 10, Palav Row House, Opp. St. Mark School	54	NIL

Sl. No.	Name, Designation, Address, Occupation, Nationality, Term & DIN	Age (in years)	Other Directorships as on the date of this Draft Red Herring Prospectus
	Adajan, Navyug College, Surat-395009, Gujarat, India Nationality: Indian Term: 5 Years		
6.	Mr. Indrajit Patel DIN: 07945954 Date of Appointment: September 27,2017 Occupation: Business Designation: Non-Executive and Independent Director Address: 31, Sarvoday Nagar Society, Near Sweety Society, Bhatar Road, Nanpura, Surat-395001, Gujarat, India. Nationality: Indian Term: 5 Years	46	NIL
7.	Mr. Nikhil Govindbhai Patel DIN: 07937302 Date of Appointment: September 27, 2017 Occupation: Business Designation: Non-Executive and Independent Director Address: 7/3058, 1 st floor, lekhadiya sheri, Saiyedpura Surat-395003 Gujarat, India Nationality: Indian Term: 5 Years	40	NIL

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

Family Relationships between the Directors

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

Director	Other Director	Relation
Mr. Barkatali Kamruddin Panjwani	Mrs. Minaz Barkatali Panjwani	Wife
Mr. Barkatali Kamruddin Panjwani	Ms. Alwina Barkatali Panjwani	Daughter
Mrs. Minaz Barkatali Panjwani	Ms. Alwina Barkatali Panjwani	Daughter

Brief Biographies of the Directors

Mr. Barkatali Kamruddin Panjwani, aged about 57 years, is the Managing Director and promoter of our Company. He has done diploma in marketing management course conducted by center for management studies SGCCI in the year of 2002. He is having well experience in the area of product development, branding, and store development. He is actively involved in Southern Gujarat chamber of commerce and trade since 2005. He is also a member of Business networking India alchemist chapter. He is also co-author of book named Retail Mahayudh.

Mr. Sahebali Salimbhai Panjwani, aged about 36 years, is the Non Executive and Non Independent Director of our Company since July 24, 2017. He looks after Marketing, distribution and Packing department, bringing change from plastic to box packaging and various promotion schemes.

Ms. Alwina Barkatali Panjwani, aged about 27 years, is the Non-Executive and Non Independent Director of our Company. She holds a masters degree in management from Auro University. She is responsible for new store development & manages social media marketing she also leads customer relationship management department .She handles all the marketing and sales promotion events.

Mrs. Minaz Bartakali Panjwani, aged about 51 years, is the Executive Director of our Company since inception. She is also appointed as CFO of the company. She holds a B.com degree. She is responsible for taking financial decision-making that affects our company, and provides strategic financial input to senior management.

Mr. Indrajit Patel, aged about 46 years, is an Independent Director of our Company. He is associated with our company since September 27, 2017. He has passed higher secondary examination in the year March 1983.

Mr. Asit Madhusudan Pachchigar, aged about 54 years, is an Independent Director of our Company. He is associated with our company since September 27, 2017.

Mr. Nikhil Govindbhai Patel, aged about 40 years, has completed diploma in Mechanical Engineering in the year 1999. He is responsible for business development of our company. He is associated with our company since September 27, 2017.

Arrangements with major Shareholders, Customers, Suppliers or Others

There are no arrangements or understanding between major shareholders, customers, suppliers or others pursuant to which any of the Directors were selected as a Director or member of a senior management as on the date of this Draft Red Herring Prospectus.

Service Contracts

Our Company has not executed any service contracts with its directors providing for benefits upon termination of their employment.

Common directorships of the Directors in companies whose shares are/were suspended from trading on the Stock Exchange(s) and/ or the Stock Exchange(s) for a period beginning from five (5) years prior to the date of this Draft Red Herring Prospectus

None of the Directors are/ were directors of any company whose shares were suspended from trading by Stock Exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five (5) years.

Common directorships of the Directors in listed companies that have been/were delisted from stock exchanges in India

None of the Directors are/ were directors of any entity whose shares were delisted from any Stock Exchange(s).

Further, none of the directors are/ were directors of any entity which has been debarred from accessing the capital markets under any order or directions issued by the Stock Exchange(s), SEBI or any other Regulatory Authority.

Borrowing Powers of the Board

The Articles, subject to the provisions of Section 180(1)(c) of the Act authorize the Board to raise, borrow or secure the payment of any sum or sums of money for the purposes of our Company. The shareholders have, pursuant to a special resolution passed at the Extra-ordinary General Meeting held on September 27, 2017, in accordance with Section 180(1)(c) of the Act authorized the Board to borrow monies from time to time, such sums of money even though the money so borrowed together with money already borrowed exceeds the aggregate of the paid-up capital and free reserves of the Company provided, however, that the total borrowing (apart from the temporary loans taken from the company's bankers) shall not exceed Rs. 25 Crores.

Remuneration to Managing/Whole-time Directors

The remuneration payable to our Managing/ Whole-time Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Section 2 (54), 2(94), 196, 197, 198 and 203 and any other applicable provisions of the Act read with Schedule V to the Act and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force)

The details of remuneration paid and perquisites given to Managing Directors for services rendered by them to the Company during the FY 2016-17:

Mr. Barkatali Kamruddin Panjwani

Particulars	Remuneration
Basic Salary	12,00,000 p.a
Designation	Managing Director
Term	5 years
Perquisites	N.A
Remuneration paid for FY 2016-17	N.A

Payment or benefit to Non-Executive Directors of our Company

Apart from the remuneration of our Managing/Whole-time Directors as provided under the heading 'Remuneration to Managing/Whole-time Directors' above, our Non-Executive Directors & Independent Directors are entitled to be paid a sitting fee up to the limits prescribed by the Act and the Rules made there under and actual travel, boarding and lodging expenses for attending the Board or Committee meetings. They may also be paid commissions and any other amounts as may be decided by the Company in accordance with the provisions of the Articles, the Act and any other applicable Indian laws and regulations.

Shareholding of Directors in our Company

The details of the shareholding of our Directors as on the date of this Draft Red Herring Prospectus are as follows.

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage of Pre-Issue Capital (%)	Percentage of Post-Issue Capital (%)
1.	Barkatali Kamruddin Panjwani	45,03,800	86.61	51.73
2.	Minaz Barkatali Panjwani	32,200	0.62	0.37
3.	Sahebali Salimbhai Panjwani	32,200	0.62	0.37
4.	Alwina Barkatali Panjwani	32,200	0.62	0.37
5.	Total	50,71,200	88.47	52.84

Interests of our Directors

Our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of remuneration paid to them or services rendered as a Director of our Company and reimbursement of expenses payable to them. For further details, please refer to sub-sections 'Remuneration to Managing/ Whole-time Directors' & 'Payment or benefit to Non-Executive Directors of our Company' above.

None of our Directors have any interest in any property acquired by our Company within two (2) years of the date of this Draft Red Herring Prospectus or proposed to be acquired by it or in any transaction in acquisition of land or any construction of building.

Further, except as disclosed under sub-section 'Shareholding of Directors in our Company' above, none of our Directors hold any Equity Shares or any other form of securities in our Company. Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue.

Except for Mr. Barkatali Kamruddin Panjwani, as stated in ‘*Financial Information*’ and ‘*Our Promoters and Promoter Group*’ beginning on pages 133 and 127 respectively of this Draft Red Herring Prospectus, our Directors do not have any interest in the promotion of our company or business of our Company.

Our directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by and allotted to the companies, firms, and trusts, if any, in which they are interested as directors, members, promoters, and /or trustees pursuant to this Issue.

Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as disclosed in this Draft Red Herring Prospectus, no sum has been paid or agreed to be paid to any of our Directors or to any firm or company in which Director is a partner or member, in cash or shares or otherwise by any person either to induce such Director to become, or to qualify as, a director, or otherwise for services rendered by such Director or by such firm or company in connection with the promotion or formation of our Company.

Changes in our Company’s Board of Directors during the last three (3) years

Name	Date of Event	Nature of Event
Mr. Salimbhai Kamruddin Panjwani	July 24, 2017	Cessation
Mr. Sahebbali Salimbhai Panjwani	July 24, 2017	Appointment
Ms. Alwina Barkatali Panjwani	July 24, 2017	Appointment
Mrs. Minaz Barkatali Panjwani	July 24, 2017	Appointment
Mr. Indrajit Patel	September 27, 2017	Appointment
Mr. Asit Madhusudan Pachchigar	September 27, 2017	Appointment
Mr. Nikhil Govindbhai Patel	September 27, 2017	Appointment
Mr. Barkatali Panjwani	September 27, 2017	Appointed as Managing Director
Mr. Sahebbali Salimbhai Panjwani	September 27, 2017	Change in Designation from Executive Director to Non-executive and Non independent Director
Ms. Alwina Barkatali Panjwani	September 27, 2017	Change in Designation from Executive Director to Non-executive and Non independent Director
Mrs. Minaz Barkatali Panjwani	September 27, 2017	Appointed as CFO of the company

COMPLIANCE WITH CORPORATE GOVERNANCE

Our Company is not required to constitute a corporate social responsibility committee in terms of the provisions of Section 135 of the Act.

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 Limited.

Our Company has constituted the following committees:

1. Audit Committee

Our Company has formed the Audit Committee vide resolution passed in the meeting of Board of Directors held on September 27, 2017 as per the applicable provisions of the Section 177 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and also to comply with Regulation 18 of SEBI Listing Regulations (applicable upon listing of Company’s Equity Shares). The constituted Audit Committee comprises following members.

Name of the Director	Status in Committee	Nature of Directorship
Mr. Indrajit Patel	Chairman	Non-Executive and Independent Director
Mr. Asit Madhusudan Pachchigar	Member	Non-Executive and Independent Director
Ms. Alwina Barkatali Panjwani	Member	Non-Executive Director and Non-Independent Director

The Company Secretary of our Company shall act as a Secretary of the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to furnish clarifications to the shareholders in any matter relating to financial statements. The scope and function of the Audit Committee and its terms of reference shall include the following:

- A. Tenure:** The Audit Committee shall continue to be in function as a Committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.
- B. Meetings of the Committee:** The Committee shall meet at least four (4) times in a year and not more than one hundred twenty (120) days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the Committee, whichever is higher but there shall be presence of minimum two Independent Directors at each meeting.
- C. Role and Powers:** The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulations and Act shall be as under:
- (a) the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
 - (b) review and monitor the auditor's independence and performance, and effectiveness of audit process;
 - (c) examination and reviewing of the financial statement and the auditors' report thereon before submission to the board for approval, with particular reference to:
 - i. matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Section 134(3)(c) of the Act;
 - ii. changes, if any, in accounting policies and practices and reasons for the same;
 - iii. major accounting entries involving estimates based on the exercise of judgment by management
 - iv. significant adjustments made in the financial statements arising out of audit findings
 - v. compliance with listing and other legal requirements relating to financial statements
 - vi. disclosure of any related party transactions
 - vii. Qualifications in the draft audit report
 - (d) examination and reviewing, with the management, the quarterly financial statements before submission to the board for approval
 - (e) approval or any subsequent modification of transactions of the Company with related parties
 - (f) scrutiny of inter-corporate loans and investments
 - (g) valuation of undertakings or assets of the Company, wherever it is necessary;
 - (h) evaluation of internal financial controls and risk management systems;
 - (i) monitoring the end use of funds raised through public offers and related matters;
 - (j) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
 - (k) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - (l) 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;
 - (m) discussion with internal auditors of any significant findings and follow up thereon;
 - (n) 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;

- (o) 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;
- (p) 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;
- (q) approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (r) reviewing the Management discussion and analysis of financial condition and results of operations;
- (s) reviewing the Management letters / letters of internal control weaknesses issued by the statutory auditors;
- (t) reviewing the Internal audit reports relating to internal control weaknesses;
- (u) reviewing the appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee;
- (v) reviewing the functioning of the Whistle Blower mechanism;
- (w) reviewing/ redressal of complaint/s under the Sexual Harassment of Women at Workplace (Prohibition, Prevention & Redressal) Act, 2013;
- (x) establishment of a vigil mechanism for directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy in such manner as may be prescribed, which shall also provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases:
- (y) such other functions / activities as may be assigned / delegated from time to time by the Board of Directors of the Company and/or pursuant to the provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and SEBI Listing Regulations."

2. Stakeholders Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per Section 178 and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and also to comply with Regulation 20 of SEBI Listing Regulations (applicable upon listing of Company's equity shares) vide board resolution dated September 27, 2017. The constituted Stakeholders Relationship Committee comprises the following members:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Asit Madhusudan Pachchigar	Chairperson	Non-Executive and Independent Director
Mr. Nikhil Govindbhai Patel	Member	Non-Executive and Independent Director
Mr. Indrajit Patel	Member	Non-Executive Director and Independent Director

The Company Secretary of our Company shall act as a Secretary to the Stakeholders Relationship Committee. The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

- A. Tenure:** The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.
- B. Terms of Reference:** The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company. The terms of reference of the Stakeholders Relationship Committee include the following:

- Considering and resolving the grievance of security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends;
- Such other functions / activities as may be assigned / delegated from time to time by the Board of Directors of the Company and/or pursuant to the provisions of the Act read with SEBI Listing Regulations.

3. Nomination and Remuneration Committee

Our Company has formed the Nomination and Remuneration Committee as per Section 178 and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and also to comply with Regulation 19 of SEBI Listing Regulations (applicable upon listing of Company's Equity Shares) vide board resolution dated July 20, 2017. The Nomination and Remuneration Committee comprises the following members:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Asit Madhusudan Pachchigar	Chairman	Non-Executive and Independent Director
Mr. Nikhil Govindbhai Patel	Member	Non-Executive & Independent Director
Mr. Indrajit Patel	Member	Non-Executive and Independent Director

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

- A. Tenure:** The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.
- B. Meetings:** The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries.
- C. Terms of Reference:**
- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
 - (b) Formulation of criteria for evaluation of Independent Directors and the Board;
 - (c) Devising a policy on Board diversity;
 - (d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every director's performance;
 - (e) Determining, reviewing and recommending to the Board, the remuneration of the Company's Managing/ Joint Managing / Deputy Managing / Whole time / Executive Director(s), including all elements of remuneration package;
 - (f) To ensure that the relationship of remuneration to perform is clear and meets appropriate performance benchmarks.
 - (g) Formulating, implementing, supervising and administering the terms and conditions of the Employee Stock Option Scheme, Employee Stock Purchase Scheme, whether present or prospective, pursuant to the applicable statutory/regulatory guidelines;
 - (h) Carrying out any other functions as authorized by the Board from time to time or as enforced by statutory/regulatory authorities.

4. Risk Management Committee

Our Company has formed the Risk Management Committee as per SEBI Listing Regulations (applicable upon listing of Company's Equity Shares) vide board resolution dated July 20, 2017. The Risk Management Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Nikhil Govindbhai Patel	Chairman	Non-Executive and Independent Director
Mr. Asit Madhusudan Pachchigar	Member	Non-Executive and Independent Director
Mr. Indrajit Patel	Member	Non-Executive and Independent Director

The terms of reference of the Risk Management Committee include the following:

- (a) framing, implementing, reviewing and monitoring the risk management plan for the Company;
- (b) laying down risk assessment and minimization procedures and the procedures to inform Board of the same;
- (c) oversight of the risk management policy/ enterprise risk management framework (identification, impact assessment, monitoring, mitigation and reporting);
- (d) review key strategic risks at domestic/international, macro-economic & sectoral level (including market, competition, political and reputational issues);
- (e) review significant operational risks; and
- (f) performing such other activities as may be delegated by the Board of Directors or specified/ provided under the Companies Act, 2013 and the rules made thereunder, as amended, or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority.

POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING:

The provisions of the Regulation 9(1) of SEBI (Prohibition of Insider Trading) Regulations, as amended, will be applicable to our Company immediately upon the listing of Equity Shares. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, as amended on listing of Equity Shares. Further, Board of Directors at their meeting held on September 01, 2017, has approved and adopted the policy on insider trading in view of the proposed public issue.

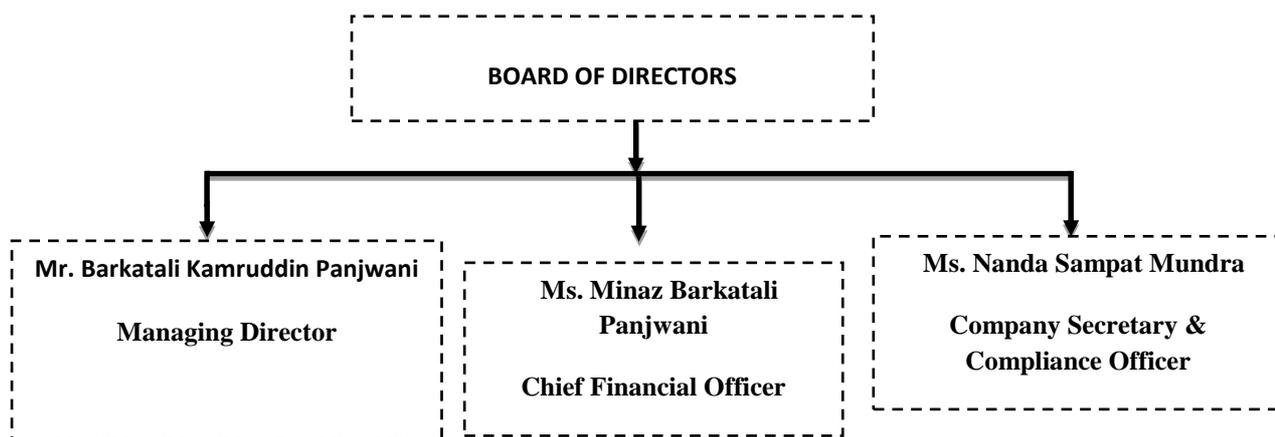
The Company Secretary and Compliance Officer of our Company will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

POLICY FOR DETERMINATION OF MATERIALITY & MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS:

The provisions of the SEBI Listing Regulations will be applicable to our Company immediately upon the listing of Equity Shares of our Company. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, as amended, on listing of Equity Shares. The Board of Directors at their meeting held on July 20, 2017 has approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

Management Organizational Structure

The following chart depicts our Management Organization Structure:



Profiles of our Key Managerial Personnel

The details of the Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are set out below. Except for certain statutory benefits, there are no other benefits accruing to the Key Managerial Personnel.

Mr. Barkatali Kamruddin Panjwani, aged about 57 years, is the Managing Director and promoter of our Company. He has done diploma in marketing management course conducted by center for management studies SGCCI in the year of 2002. He is having well experience in the area of product development, branding, and store development, product development, branding, and store development. He is actively involved in Southern Gujarat chamber of commerce and trade since 2005. He is also a member of Business networking India alchemist chapter. He is also co-author of book named Retail Mahayudh.

Mrs. Minaz Bartakali Panjwani, aged about 51 years, is the Non-Executive and Non Independent Director of our Company since inception. She holds a B.com degree. She is responsible for taking financial decision-making that affects our company, and provides strategic financial input to senior management.

Ms. Nanda Sampat Mundra, aged 26 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 has 2 (two) year of experience in secretarial field.

Status of Key Management Personnel in our Company

All our key managerial personnel are permanent employees of our Company. The term of office of our key managerial personnel is until the attainment of 60 years of age.

Shareholding of Key Management Personnel in our Company

The details of the shareholding of our Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are as follows:

Sl. No.	Name of the Key Managerial Personnel	No. of Equity Shares	Percentage of Pre-Issue Capital (%)	Percentage of Post-Issue Capital (%)
1	Mr. Barkatali Kamruddin Panjwani	45,03,800	86.61	51.73

	Total	45,03,800	86.61	51.73
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Bonus or profit sharing plan of the Key Managerial Personnel

Our Company does not have a performance linked bonus or a profit sharing plans for the Key Management Personnel. However, our Company may pay incentive to its employees including the Key Managerial Personnel based on their performance as per the Company's policies.

Interests of Key Management Personnel

The Key Management Personnel do not have 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 and reimbursement of expenses incurred by them during the ordinary course of business. Our Key Management Personnel may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue.

Payment of Benefits to Officers of Our Company (*non-salary related*)

Except as disclosed in this Draft Red Herring Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards superannuation, ex-gratia/rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance.

Except as stated under section titled '*Financial Information*' beginning on page 133 of this Draft Red Herring Prospectus, none of the beneficiaries of loans and advances or sundry debtors are related to our Company, our Directors or our Promoters.

Relationship amongst the Key Managerial Personnel of our Company

None of the Key Managerial Personnel are related to each other.

Arrangement and Understanding with Major Shareholders/Customers/ Suppliers

None of the above Key Managerial Personnel have been selected pursuant to any arrangement/ understanding with major shareholders/ customers/ suppliers.

Details of Service Contracts of the Key Managerial Personnel

Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

Employee Stock Option or Employee Stock Purchase

Our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this Draft Red Herring Prospectus.

Loans availed by Directors / Key Managerial Personnel of our Company

None of the Directors or Key Managerial Personnel have availed loan from our Company which is outstanding as on the date of this Draft Red Herring Prospectus.

Changes in Our Company's Key Managerial Personnel during the last three (3) years

Name	Date of Change	Designation
Mr. Barkatali Kamruddin Panjwani	September 27,2017	Managing Director
Mr. Rahim Didarali Charania	September 27,2017	Chief Financial Officer
Ms. Nanda Sampat Mundra	September 27,2017	Company Secretary

OUR PROMOTERS AND PROMOTER GROUP

Our Promoter

Our Promoter is Mr. Barkatali Kamruddin Panjwani. As on the date of this Draft Red Herring Prospectus, our Promoter holds 45,03,800 Equity Shares, which constitutes 86.61% of the issued, subscribed and paid-up Equity Share capital of our Company.

Details of Individual Promoters of our Company

	<p>Mr. Barkatali Kamruddin Panjwani is the Promoter of our Company. For further details, please refer to section titled 'Our Management' beginning on page 115 of this Draft Red Herring Prospectus.</p> <p>Permanent Account Number: ABTPP7348A Passport No.: NA Aadhar No.: 3381 2841 3414 Driving license No.: GJ0520100011086 Voter's identification card No.: DPB6400329</p> <p>For further details in relation to other ventures of Mr. Barkatali Kamruddin Panjwani, please refer to section titled 'Group Entities of our Company' beginning on page 130 of this Draft Red Herring Prospectus.</p>
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We confirm that the PAN, Bank account Number, Passport Number of our Promoters have been submitted to the BSE Limited at the time of filing of this Draft Red Herring Prospectus.

Interests of our Promoter

Interest in the promotion of the Company

As of the date of this Draft Red Herring Prospectus, our Promoter individually holds 45,03,800 shares representing 86.61%, of the pre-Issue subscribed and paid-up Equity Share capital of our Company.

Our Promoters are interested in our Company only to the extent of their respective Equity shareholding in our Company and any dividend distribution that may be made by our Company in the future. For details pertaining to our Promoters' shareholding, please refer to section titled '*Capital Structure*' beginning on page 50 of this Draft Red Herring Prospectus.

Interest as a director

Mr. Barkatali Kamruddin Panjwani is Chairman and Managing Director of the Company and may also be deemed to be interested of their appointment and reimbursement of expenses payable to them. For further details, please refer to section titled '*Our Management*' beginning on page 115 of this Draft Red Herring Prospectus.

Our Promoter is not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to him or to such firm or company in cash or shares or otherwise by any person either to induce him to become, or to qualify him as a Director or for services rendered by our Promoter or by such firm or company in connection with the promotion or formation of our Company.

Interest in property, land, construction of building, supply of machinery

Our Promoter does not have any interest in any property acquired by our Company within two years preceding the date of filing this Draft Red Herring Prospectus or any property proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery or any other contract, agreement or arrangement entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements except as stated in “*Financial Statements*” on page 133 of this Draft Red Herring Prospectus.

Interest in any property acquired by the Company within last two years or proposed to be acquired by our Company

None of our Promoters has any interest in any property acquired by our Company since the date of its incorporation or proposed to be acquired by our Company or in any transaction in acquisition of land or any construction of building or supply of machinery.

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

Experience of Promoters in the line of business

Our Promoter, Mr. Barkatali Kamruddin Panjwani has relevant experience in the Company’s line of business for about Forty Five Years. The Company shall also endeavor to ensure that relevant professional help is sought as and when required in the future.

Payment of Amounts or Benefits to our Promoters or Promoter Group during the last two years

Except as stated in ‘Financial Information of the Company’ on page 133 of this Draft Red Herring Prospectus, no amount or benefit has been paid by our Company to our Promoters or the members of our Promoter Group since the incorporation of the Company.

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

None of our Promoters have disassociated themselves from any of the companies, firms or entities during the last three years preceding the date of this Draft Red Herring Prospectus.

Litigation details pertaining to our Promoters

For details on litigations and disputes pending against the Promoters and defaults made by our Promoters, please refer to section titled ‘Outstanding Litigations and Material Developments’ beginning on page 181 of this Draft Red Herring Prospectus.

Our Promoter Group

In addition to our Promoters named hereinabove section, the following natural persons are part of our Promoter Group in terms of Regulation 2(1)(zb) of SEBI ICDR Regulations:

Name of our Promoter	Name of the Relatives	Relationship with the Relative
Mr. Barkatali Kamruddin Panjwani	Kamruddin	Father
	Kulsum	Mother

Name of our Promoter	Name of the Relatives	Relationship with the Relative
	Minazben	Spouce
	Salimbhai	Borther
	Alwina & Amrin	Daughter
	-	Son
	Minazben	Spouse
	Azizbhai Bhayani	Spouse's Father
	Shirinben Bhayani	Spouse's Mother
	Amirbhai, Firozbhai & Shabbirbhai	Spouse's Brother
	Mumtazben	Spouse's Sister

There are no other entities which form part of the Promoter Group in terms of Regulation 2(1)(zb) of SEBI ICDR Regulations.

GROUP ENTITIES OF OUR COMPANY

As per the requirements of SEBI (ICDR) Regulations, for the purpose of identification of 'group companies/ entities', our Company has considered those companies as Group Companies, which are included in the list of related parties of the Company, under the Accounting Standard 18 or other Companies as considered material by our Board. Pursuant to a resolution of our Board dated September 27, 2017, for the purpose of disclosure in Issue documents for the Issue, a company shall be considered material and disclosed as a 'Group Company' if (i) companies in which the investment in the form of equity or loan by our Company exceeds 10% of the consolidated net worth of our Company for the last audited financial year; (ii) where the Company has entered into one or more transactions with such company in the last audited financial year, cumulatively exceeding 10% of the total consolidated revenue of our Company for the last audited financial year; and (iii) any other company which the Board may decide.

RELATED PARTY TRANSACTIONS

For details on related party transactions of our Company, please refer to section titled “*Financial Information* - Annexure XXV - Related Party Transactions” beginning on page 154 of this Draft Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by our Board of Directors and approved by our shareholders at their discretion, subject to the provision of the Articles of Association and the Companies Act. The dividends, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements and overall financial position of our Company. In addition, our ability to pay dividends may be impacted by a number of other factors, including, restrictive covenants under the loan or financing documents that we may enter into from time to time. Our Company has no formal dividend policy. Our Board may also, from time to time, pay interim dividends.

Our Company has incorporated on March 03, 2017 under Chapter 21 of the companies act 2013 and has not declared any dividend on the Equity Shares in each of the Financial Years ended on March 31, 2017 as per our Restated Financial Statements, the details of which are as given below:

Particulars	Period ended March 31, 2017
Face value per share (in Rs)	10/-
Dividend (in Rs.)	NIL
Dividend per share (in Rs.)	NIL
Rate of dividend (%)	NIL
Dividend Tax (Rs.)	NIL

SECTION V – FINANCIAL STATEMENTS
FINANCIAL STATEMENTS AS RE-STATED
Independent Auditor’s Report for the Restated Financial Statements of
S.K. Masala and Foods Limited.

To
The Board of Directors
S.K.Masala and Foods Limited
Shop No. 43, Moje : Althan,
Bhimrad Canal Road,
Surat

Dear Sirs,

1. We have examined the restated summary statement of assets and liabilities of **S.K. Masala and Foods Limited**, (hereinafter referred to as “**the Company**”) as at March 31, 2017, 2016, 2015, 2014 and 2013, restated summary statement of profit and loss and restated summary statement of cash flows for the financial year ended on March 31, 2017, 2016, 2015, 2014 and 2013 (collectively referred to as the “**restated summary statements**” or “**restated financial statements**”) annexed to this report and initialed by us for identification purposes. These restated financial statements have been prepared by the management of the Company and approved by the board of directors of the Company in connection with the proposed Initial Public Offering (IPO) on SME Platform of BSE Limited (“**BSE**”) of the company.
2. These restated summary statements have been prepared in accordance with the requirements of:
 - (i) sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 (“the Act”) read with Companies (Prospectus and Allotment of Securities) Rules 2014;
 - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (“**ICDR Regulations**”) and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India (“**SEBI**”)
3. We have examined such restated financial statements taking into consideration:
 - (i) The terms of reference to our engagement letter with the lead merchant banker requesting us to carry out the assignment, in connection with the proposed Initial Public Offering of equity shares on SME Platform of BSE Limited (“**IPO**” or “**SME IPO**”); and
 - (ii) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (“**Guidance Note**”).
4. The restated financial statements of the Company have been extracted by the management from the audited financial statements of the Company for the year ended on March 31, 2017, 2016, 2015, 2014 and 2013.
5. In accordance with the requirements of the Act including the rules made there under, ICDR Regulations, Guidance Note and engagement letter, we report that:
 - (i) The “**restated statement of asset and liabilities**” of the Company as at March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in **Annexure I** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
 - (ii) The “**restated statement of profit and loss**” of the Company for the financial year ended on March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in **Annexure II** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
 - (iii) The “**restated statement of cash flows**” of the Company for the financial year ended on March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in **Annexure III** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to restated summary statements to this report.

Emphasis of Matter

We draw attention to note (L) in the notes to financial statement which indicates that the company has not maintained separate data for the purpose of the Segmental Reporting.

We also draw attention to Annexure XXVI Where EPS & NAV Computation has been made for all the Five Financial Years by assuming that the no. of share outstanding as on March 31, 2017 are outstanding in all the Previous financial year

Our Opinion is not qualified in respect of the above matters.

6. Based on our examination, we are of the opinion that the restated financial statements have been prepared:
 - a) Using consistent accounting policies for all the reporting periods.
 - b) Making adjustments for prior period and other material amounts in the respective financial years to which they relate.
 - c) There are no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments.
 - d) There are no audit qualifications in the audit reports issued by the statutory auditors for the financial year ended on March 31, 2017, 2016, 2015, 2014 and 2013 which would require adjustments in the restated financial statements of the Company.
7. Audit for the financial year ended on March 31, 2017, 2016, 2015, 2014 and 2013 was conducted by M/s. D.M. Gheewala & Co., The financial report included for these years is based solely on the report submitted by them. Further financial statements for the financial year ended on March 31, 2017 have been reaudited by us as per the relevant guidelines.
8. We have also examined the following other financial information relating to the Company prepared by the management and as approved by the board of directors of the Company and annexed to this report relating to the Company for the financial year ended on March 31, 2017, 2016, 2015, 2014 and 2013 proposed to be included in this Draft Red herring Prospectus / Prospectus (“**Offer Document**”).

Annexure to restated financial statements of the Company:-

1. Summary statement of assets and liabilities, as restated as appearing in ANNEXURE I;
2. Summary statement of profit and loss, as restated as appearing in ANNEXURE II;
3. Summary statement of cash flows as restated as appearing in ANNEXURE III;
4. Significant accounting policies and notes to restated financials as appearing in ANNEXURE IV;
5. Details of share capital as restated as appearing in ANNEXURE V to this report;
6. Details of reserves and surplus as restated as appearing in ANNEXURE VI to this report;
7. Details of long term borrowings as restated as appearing in ANNEXURE VII to this report;
8. Details of deferred tax liability as restated as appearing in ANNEXURE VIII to this report;
9. Details of long term provisions as restated as appearing in ANNEXURE IX to this report;
10. Details of short term borrowings as restated as appearing in ANNEXURE X to this report;
11. Details of trade payables as restated as appearing in ANNEXURE XI to this report;
12. Details of other current liabilities as restated as appearing in ANNEXURE XII to this report;
13. Details of short term provisions as restated as appearing in ANNEXURE XIII to this report;
14. Details of fixed assets as restated as appearing in ANNEXURE XIV to this report;
15. Details of other non-current assets as restated as appearing in ANNEXURE XV to this report;
16. Details of inventories as restated as appearing in ANNEXURE XVI to this report;
17. Details of trade receivables as restated as appearing in ANNEXURE XVII to this report;
18. Details of cash and cash equivalents as restated as appearing in ANNEXURE XVIII to this report;

19. Details of short term loans and advances as restated as appearing in ANNEXURE XIX to this report;
 20. Details of revenue from operations as restated as appearing in ANNEXURE XX to this report;
 21. Details of other income as restated as appearing in ANNEXURE XXI to this report;
 22. Details of Employee Benefit Expenses as restated in ANNEXURE XXII to this report;
 23. Details of Financial Expenses as restated in ANNEXURE XXIII to this report,
 24. Details of Other Expenses as restated in ANNEXURE XXIV to this report;
 25. Details of related party transactions as restated as appearing in ANNEXURE XXV to this report;
 26. Summary of significant accounting ratios as restated as appearing in ANNEXURE XXVI to this report,
 27. Capitalisation statement as at March 31, 2017 as restated as appearing in ANNEXURE XXVII to this report;
 28. Statement of tax shelters as restated as appearing in ANNEXURE XXVIII to this report;
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9. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
 10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
 11. Our report is intended solely for use of the management and for inclusion in the offer document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

For, D V Barfiwala & Co
Chartered Accountants
Firm Registration no.118936W

Sd/-
CA D V Barfiwala
Partner
Membership No.106032

Date: 27th September,2017
Place:

Details of Assets and Liabilities as Restated

Annexure – I
(Rs in Lakhs)

Sr No.	Particulars	As At 31 st March,				
		2017	2016	2015	2014	2013
I	EQUITY AND LIABILITIES					
1)	<u>Shareholders' Funds</u>					
	a. Share Capital	322.00	212.43	80.41	107.89	63.00
	b. Reserves & Surplus	214.98	75.70	38.47	18.76	10.04
	Sub Total	536.98	288.13	118.88	126.65	73.04
2)	Share Money Received On Pending Allotment	-	-	-	-	-
	Sub Total	-	-	-	-	-
3)	<u>Non-current Liabilities</u>					
	(a) Long-term borrowings	272.94	91.80	65.76	68.15	36.30
	(b) Deferred tax liabilities (Net)	-	-	-	-	-
	(c) Other Non Current Liabilities	9.64	8.61	5.97	4.62	2.95
	Sub-Total	282.58	100.41	71.73	72.77	39.25
4)	<u>Current liabilities</u>					
	(a) Short-term borrowings	603.09	441.53	321.64	143.07	177.05
	(b) Trade payables					
	i. Total Out Standing due to MSME &	-	-	-	-	-
	ii. Total Out Standing due to creditors other than MSME	581.05	345.56	223.84	149.76	136.30
	(c) Other current liabilities	61.48	3.78	8.46	9.00	6.89
	(d) Short-term provisions	88.30	35.73	18.16	13.62	7.96
	Sub-Total	1333.92	826.60	571.30	315.45	328.20
	Total	2153.48	1215.14	761.91	514.87	440.49
II	Assets					
1)	<u>Non-current assets</u>					
	(a) Property, Plant & Equipment					
	i. Tangible Assets	53.23	61.36	67.69	55.38	55.74
	ii. Intangible Assets	-	-	-	-	-
	iii. Capital Work in Progress	-	-	-	-	-
	iv. Intangible assets under development	-	-	-	-	-
	(b) Non-current investments	-	0.29	0.29	0.29	0.29
	(c) Deferred tax assets (net)	7.25	6.69	5.52	3.24	4.26
	(d) Long-term loans and advances	0.70	5.25	17.93	18.47	39.53
	(e) Other Non Current Assets	-	-	-	-	-
	Sub-Total	61.19	73.59	91.43	77.38	99.82
2)	<u>Current assets</u>					
	(a) Current investments	-	-	-	-	-
	(b) Inventories	567.75	360.13	268.03	180.12	155.12
	(c) Trade receivables	1394.45	665.47	283.72	136.20	93.06
	(d) Cash and cash equivalents	42.09	53.53	69.07	78.04	72.76
	(e) Short-term loans and advances	88.01	62.42	49.66	43.13	19.73
	Sub-Total	2092.29	1141.55	670.48	437.49	340.67
	TOTAL	2153.48	1215.14	761.91	514.87	440.49

Details of Profit and Loss as Restated

**Annexure – II
(Rs in Lakhs)**

Sr No.	Particulars	As At 31 st March,				
		2017	2016	2015	2014	2013
I.	Revenue from operations	2105.33	1511.17	1009.95	726.07	614.22
II.	Other income	-	1.72	-	0.27	-
III.	Total Revenue (I + II)	2105.33	1512.89	1009.95	726.34	614.22
IV.	Expenses:					
	Purchases of Stock-in-Trade	1720.82	1154.15	730.07	507.68	475.05
	Changes in inventories	(207.62)	(92.10)	(87.91)	(25.00)	(14.34)
	Employee benefits expense	97.93	161.41	165.11	109.77	49.41
	Finance costs	93.30	68.91	42.83	28.85	25.75
	Depreciation and amortization expense	13.12	14.07	11.95	12.60	11.27
	Other expenses	181.71	150.10	120.56	75.71	55.51
	Total expenses	1899.27	1456.52	982.61	709.61	602.65
V.	Profit before exceptional and extraordinary items and tax (III-IV)	206.06	56.37	27.34	16.73	11.57
VI.	Exceptional items	-	-	-	-	-
VII.	Profit before extraordinary items and tax (V - VI)	206.06	56.37	27.34	16.73	11.57
VIII.	Extraordinary Items-	-	-	-	-	-
IX.	Profit before tax (VII- VIII)	206.06	56.37	27.34	16.73	11.57
X.	Tax expense:					
	(1) Current tax	67.34	20.30	9.92	6.99	5.58
	(2) MAT Credit	-	-	-	-	-
	(3) Deferred tax	(0.56)	(1.16)	(2.29)	1.02	(1.54)
XI.	Profit (Loss) for the period from continuing operations (VII-VIII)	139.28	37.23	19.71	8.72	7.53
XII.	Profit/(loss) from discontinuing operations	-	-	-	-	-
XIII.	Tax expense of discontinuing operations	-	-	-	-	-
XIV.	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)	-	-	-	-	-
XV.	Profit (Loss) for the period (XI + XIV)	139.28	37.23	19.71	8.72	7.53
XVI	Earnings per equity share:					
	(1) Basic	4.33	1.16	0.61	0.27	0.23
	(2) Diluted	2.68	0.72	0.38	0.17	0.14

Statement of Cash Flow as Restated

**Annexure –III
(Rs. In Lakhs)**

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
Cash Flow From Operating Activities:					
Profit before tax	206.06	56.37	27.35	16.73	11.57
Adjustments for:					
Depreciation & Amortization Expense	13.12	14.07	11.95	12.60	11.27
Interest Expense	93.30	68.91	42.83	28.85	25.75
Interest Income	-	(0.84)	-	-	-
Operating Profit Before Working Capital	312.48	138.51	82.14	58.18	48.59
Adjusted for (Increase)/ Decrease in:					
Inventories	(207.62)	(92.10)	(87.91)	(25.00)	(14.34)
Trade Receivables	(728.98)	(381.75)	(147.52)	(43.14)	17.38
Other Non-current Assets					13.87
Short term Loans & Advances	(25.59)	(12.76)	(6.54)	(23.41)	(19.71)
Long Term Loans & Advances	4.55	12.68	0.54	21.06	(13.10)
Trade Payables	235.48	122.53	73.30	13.46	20.35
Other Current Liabilities & Provisions	57.70	(4.68)	(0.55)	2.11	3.89
Short Term Provisions	52.58	17.57	4.54	5.66	(5.70)
Other noncurrent liabilities	1.03	2.64	1.37	1.68	2.98
Cash Generated From Operations	(298.36)	(197.37)	(80.64)	10.60	54.21
Net Income Tax paid	67.34	20.30	9.92	6.99	5.58
Net Cash Flow from/(used in) Operating Activities: (A)	(365.70)	(217.67)	(90.56)	3.61	48.63
Cash Flow From Investing Activities:					
Purchase of Fixed Assets	(4.99)	(7.74)	(24.26)	(12.24)	(13.94)
Investment in Non-Current Investment	0.28	-	-	-	-
Interest Income	-	0.84	-	-	-
Net Cash Flow from/(used in) Investing Activities: (B)	(4.71)	(6.90)	(24.26)	(12.24)	(13.94)
Cash Flow from Financing Activities:					
Proceeds from issue of Share Capital	109.57	132.02	(27.49)	44.89	21.41
Share Application money	342.71	145.93	176.17	(2.13)	(0.44)
Interest paid	(93.30)	(68.91)	(42.83)	(28.85)	(25.75)
Net Cash Flow from/(used in) Financing Activities: (C)	358.98	209.03	105.85	13.91	(4.78)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(11.43)	(15.54)	(8.97)	5.28	29.91
Cash & Cash Equivalents As At Beginning Of the Year	53.53	69.07	78.04	72.76	42.85
Cash & Cash Equivalents As At End of the year	42.09	53.53	69.07	78.04	72.76

Annexure IV

Restated Significant Accounting Policies and Notes to Restated Financials:

Corporate Information

S.K .Masala and Foods Limited is a public company incorporated on 3rd March 2017 under the provisions of Companies Act, 2013 with Registrar of Companies, Ahmedabad vide Registration No. U15549GJ2017PLC096061. Pursuant to Shareholders, Special Resolution passed at the Extra Ordinary General Meeting held on 08.12.2016 by conversion of Partnership Firm into company and the said firm is constituted from 20.12.2016.

The Company is engaged in manufacturing of Quality Spices, Ready to cook & food Related Products

A. Basis of preparation of Financial Statements:

The restated summary statement of assets and liabilities of the Company as at March 2017, 2016, 2015, 2014 and 2013 and the related restated summary statement of profits and loss and restated summary statement of cash flows for the financial year ended March 2017, 2016, 2015, 2014 and 2013 (herein collectively referred to as “restated summary statements”) have been compiled by the management from the audited financial statements of the Company for the financial year ended on March 2017, 2016, 2015, 2014 and 2013 and approved by the board of directors of the Company. The restated summary statements have been prepared to comply in all material respects with the sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 (“the Act”) 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). The 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.

B. Use of Estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect amounts in the financial statements and reported notes thereto. Actual results could differ from these estimates. Differences between the actual result and estimates are recognized in periods in which the results are known/ materialized.

C. Property, Plant & Equipment

Properties, Plant & Equipments are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. The cost of an asset comprises of its purchase price and any directly attributable cost of bringing the assets to working condition for its intended use. Expenditure on additions, improvements and renewals is capitalized and expenditure for maintenance and repairs is charged to profit and loss account.

D. Depreciation:

Depreciation on Property, Plant & Equipments for the year ended on March 31, 2017, 2016, 2015, 2014 & 2013 is calculated on Written Down Basis (WDV) basis for all tangible and intangible assets using the rates prescribed under Schedule XIV of the Companies Act, 1956. Depreciation on Property, Plant & Equipments for the year ended on March 31, 2017, 2016 & 2015 is calculated on Written Down Basis (WDV) basis for all tangible and intangible assets using the rates arrived at based on the method prescribed under Schedule II of the Companies Act, 2013.

E. Valuation of Inventories:

Cost of inventory includes all cost of purchases and other cost incurred in bringing the inventories to their present location and condition. Inventory for manufactured goods is valued at Cost or Net Realizable Value whichever is less.

F. Valuation of Investments:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

Current Investments are carried at lower of cost and fair value determined on an individual investment basis.

Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments.

G. Revenue Recognition:

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Revenue from Operations

Sale of Manufactured / Traded Goods Sale of manufactured / traded goods/material is recognized as revenue when significant risk and rewards of ownership relating to the goods are transferred to the buyer.

Revenue from Other Sources Other Income have been recognized on accrual basis.

H. Employee Benefits:

i. Short Term Employee Benefits:

All employee benefits payable within twelve months of rendering of services are classified as short term benefits. Benefits include salaries, wages, awards, ex-gratia, performance pay, etc. and are recognized in the period in which the employee renders the related service. Liability on account of encashment of leave, Bonus to employee is considered as short term compensated expense provided on actual.

ii. Post-Employment Benefit:

Defined Benefit Plan:

Provision for gratuity is assessed on actuarial basis and is provided accordingly.

I. Earning Per Share

Basic earning per share is computed by dividing the net profit after tax for the year after prior period adjustments attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

J. Taxation & Deferred Tax

Provision for Current Tax is made in accordance with the provision of Income Tax Act, 1961. Deferred tax is recognized on timing differences between taxable & accounting income / expenditure that originates in one period and are capable of reversal in one or more subsequent period(s).

K. Contingent Liabilities / Provisions

Contingent liabilities are not provided in the accounts and are disclosed separately in notes on accounts.

L. Segment Reporting

Company is Engaged in Manufacturing as well as Trading of different Spices . The company has not maintained separate data for the purpose of the Segmental Reporting and hence we are unable to report on the same.

Notes on Reconciliation of Restated Profits

Adjustments having impact on Profit

(Rs. In Lakhs)

Adjustments for	For the year ended March 31,				
	2017	2016	2015	2014	2013
Net profit/(loss) after tax as per audited statement of profit and loss	140.97	40.47	19.26	13.61	10.07
Adjustments for:					
Provision for Gratuity (Note1)	(1.06)	(2.81)	(1.44)	(1.79)	(3.16)
Prior Period Adjustment	(9.46)	-	-	-	-
Excess/Short Provision of Tax (Note 2)	6.43	-	(0.01)	-	0.54
Depreciation (Note 3)	1.22	(1.03)	0.08	(1.54)	(0.31)
Change in Deferred Tax Asset/Liabilities (Note 4)	1.18	0.59	1.82	(1.57)	0.41
Net profit/ (loss) after tax as Restated	139.28	37.23	19.71	8.72	7.53

Explanatory notes to the above restatements made in the audited financial statements of the Company for the respective years.

- 1. Provision for Gratuity** - Provision for gratuity liability has been made in all years covered for restatement as per Actuarial Valuation Report and liability provided in the respective year in which such liability has arisen as per Accounting Standard 15: Employee Benefits.
- 2. Excess/Short Provision of Tax** - The Company has provided Excess or Short Provision in the year in which the income tax return has been filled. But in restated account, the company has provided Excess or Short Provision in the year to which it relates.
- 3. Depreciation** – Depreciation in partnership was charged as per Income tax Rate while in restated financials the same is charged as per Schedule II of companies Act 2013
- 4. Change in deferred tax asset** - Deferred tax asset has been recognized on gratuity provision

Details of Share Capital as Restated

**Annexure –V
(Rs. In Lakhs)**

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Share Capital :					
Authorised:					
Equity Shares of Rs.10.00 each	322.00	-	-	-	-
Issued, Subscribed and Paid Up					
Equity Shares of Rs.10.00 each	322.00	-	-	-	-
Partner's Capital	-	212.4	80.41	107.89	63.00

Reconciliation of number of shares outstanding at the end of the year:					
	2017	2016	2015	2014	2013
Equity Shares at the beginning of the year	-	-	-	-	-
Add: Shares issued during the year	32,20,000	-	-	-	-
Equity Shares at the end of the year	32,20,000	-	-	-	-

Details of Shareholders holding more than 5% of the aggregate shares of the company:

Name of the shareholders	As at March 31, 2017		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Barkatali Kamruddin Panjwani	30,26,800	94.0%	-	-	-	-	-	-	-	-

Details of Reserves and Surplus as Restated

**Annexure –VI
(Rs. In Lakhs)**

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Surplus in profit and loss account					
Opening Balance	75.70	38.48	18.76	10.04	16.01
Add: Net profit / (loss) after tax for the year	139.28	37.23	19.71	8.72	7.53
Less: Adj In FA As per IT Act	-	-	-	-	(13.50)
Closing Balance	214.98	75.70	38.47	18.76	10.04

Details of Long Term Borrowings as Restated

**Annexure –VII
(Rs. In Lakhs)**

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Secured Loans					
<u>-Term Loans</u>					
-From Banks					
HDFC Bank-9650-Tata Indigo	-	-	-	1.94	3.82
HDFC Bank-5732-Hundai I20	-	-	-	2.32	-
HDFC Bank-0692-Swift Desire	-	-	-	0.42	1.98
Punjab National Bank - 010091	12.49	-	-	-	-
Punjab National Bank - 010107	8.52	-	-	-	-
Total	21.01	-	-	4.68	5.80
Unsecured Loans					
-From directors and relatives of					
Meenazben B. Panjwani	11.83	15.05	14.85	0.72	-
Sadiqbhai S. Panjawani	1.23	1.10	0.26	-	-
Saheba S Panjwani	0.36	-	-	-	-
Salimbhai Panjwani	30.99	-	-	-	-
Barkatbhai Panjwani	207.52	-	-	-	-
-From Others					
Rajesh Vasantlal Sanghvi	-	6.00	-	-	-
Rajesh Vasantlal Sanghvi-HUF	-	4.00	-	-	-
Rajkumar Ishwarlal Rathod	-	5.00	-	-	-
Nirmalaben Tailar	-	-	-	10.00	10.00
Nooruddin S. Bhanvadia	-	-	-	5.00	5.00
Santosh S. Rajput	-	10.00	10.00	10.00	10.00
Rekha R. Sanghvi	-	-	-	5.00	5.00
Naushad Bodhani	-	0.50	0.50	0.50	0.50
Kenil R Sanghvi	-	3.00	3.00	3.00	-
Lail Jansari	-	3.38	3.38	3.38	-
Nandkishorbhai Chauhan	-	19.80	19.80	9.90	-
Nizar S Jasani	-	1.02	1.02	1.02	-
Reshma Amin Murdhani	-	5.00	5.00	9.00	-
Roy Enterprise	-	10.00	5.00	5.00	-
Sunny Scrap	-	0.95	0.95	0.95	-
Divine Enterprise	-	2.00	2.00	-	-
Salman Roy	-	5.00	-	-	-
TOTAL	272.94	91.80	65.76	68.15	36.30

Nature of security and terms of repayment for long term borrowings:

Sr No.	Lender	Nature Of Security	Loan	Amount Outstanding As At March 31,2017	Rate of Interest %	Repayment Terms	Security/ Principal terms and Conditions
1	Punjab National Bank	Term Loan Facility of Rs.34.38 Lacs	Term Loan	Rs.35.07 Lacs	MCLR+2.40% +2.40%=11.45%	Repayable in monthly installment of Rs.224016/-	i. All Assets in block of assets of the company ii. Registered Mortgage of house no.30 Karimabad
		Term Loan Facility of Rs.15.77 Lacs	Term Loan	Rs.15.92 Lacs	MCLR+2.40% +2.40%=11.45%	Repayable in 84 Equal monthly installments	Co.op Housing Society Ltd, Ghod Dod Road, Surat

Unsecured Loan

Meenaz B Panjwani			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	Nil	Nil	Nil
Opening Balance Cr/(Dr)	15.05	14.85	0.72
Amount Received / Credited	15.05	10.20	14.13
Interest on Loan	-	-	-
Amount Repaid / Adjusted	18.27	10.00	-
Outstanding Amount	11.83	15.05	14.85
Terms of Repayment: Repayable on demand			

Sadiqbhai S. Panjwani			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	Nil	Nil	Nil
Opening Balance Cr/(Dr)	1.10	0.26	(6.53)
Amount Received / Credited	11.83	4.50	8.70
Interest on Loan	-	-	-
Amount Repaid / Adjusted	11.69	3.66	1.91
Outstanding Amount	1.23	1.10	0.26
Terms of Repayment: Repayable on demand			

Sahebali S Panjwani			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	Nil	Nil	Nil
Opening Balance Cr/(Dr)	(2.49)	(17.17)	(11.18)
Amount Received / Credited	19.68	17.10	4.90
Interest on Loan	-	-	-
Amount Repaid / Adjusted	16.83	2.42	10.88
Outstanding Amount	0.36	(2.49)	(17.17)
Terms of Repayment: Repayable on Demand			

Salimbhai Panjwani			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	Nil	Nil	Nil
Opening Balance Cr/(Dr)	-	-	-
Amount Received / Credited	38.83	10.83	7.22
Interest on Loan	-	-	-
Amount Repaid / Adjusted	7.84	10.83	7.22
Outstanding Amount	30.99	-	-
Terms of Repayment: Repayable on Demand			

Barkat Panjwani			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	Nil	Nil	Nil
Opening Balance Cr/(Dr)	-	-	-
Amount Received / Credited	367.36	13.42	10.35
Interest on Loan	-	-	-
Amount Repaid / Adjusted	159.84	13.42	10.35
Outstanding Amount	207.52	-	-
Terms of Repayment: Repayable on Demand			

**Details of Deferred Tax Asset as Restated
VIII**

Annexure –

(Rs. In Lakhs)Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Deferred tax asset					
Opening Balance of DTA	6.69	5.53	3.24	4.27	2.73
Add: Provision for the Year	0.56	1.16	2.28	(1.02)	1.53
Closing Balance of DTA	7.25	6.69	5.52	3.24	4.26

**Details of Long Term Loans and Advances as Restated
IX**

Annexure –

	As at March 31,				
	2017	2016	2015	2014	2013
Unsecured & Considered Good					
Security Deposits					
Guj. Vidhyut Board (Deposit)	0.47	0.47	0.47	0.47	0.47
Reliance Infocom	-	0.05	0.05	0.05	0.05
Torrent Power (Security Deposit)	0.14	0.14	0.14	0.14	0.14
Surat Electricity Co. Ltd	-	0.01	0.01	0.01	0.01
Telephone Deposit	0.09	0.09	0.09	0.09	0.06
Loans and advances to related					
Meenazben Barkatbhai	-	-	-	-	3.08
Nairishaben Sadiqbhai	-	-	-	-	2.75
Sadiq Panjwani	-	-	-	6.53	11.48
Sahebali Panjwani	-	2.49	17.17	11.18	15.54

Shamsah Sahebali	-	-	-	-	3.00
Yashminben Panjwani	-	2.00	-	-	2.95
TOTAL	0.70	5.25	17.93	18.47	39.53

Details of Short Term Borrowing as Restated

**Annexure –X
(Rs. In Lakhs)**

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Secured					
-Cash Credit					
From Banks					
PNB-15920(CC)	92.60	340.56	-	-	-
Punjab National Bank	401.43	-	-	-	-
Punjab National Bank	109.07	100.97	-	-	-
D. C. Bank A/C 0107(CC)	-	-	225.23	52.03	71.68
D. C. Bank Loan A/C 0134(CC)	-	-	74.24	91.05	105.37
D. C. Bank Loan A/C 259(CC)	-	-	22.17	-	-
Total	603.10	441.53	321.64	143.07	177.05

Nature of Security and Terms of Repayment for Short Term Borrowings:

Sr No.	Lender	Nature Of Security	Loan	Amount Outstanding As At March 31,2017	Rate of Interest %	Repayment Terms	Security/ Principal terms and Conditions
1	Punjab National Bank	Cash Credit Facility of Rs.560.00 Lacs	Working Capital Loan	Rs.92.60 Lacs	MCLR+2.40%+2.40 %=10.85%	Repayable on Demand	i. Hypothecation of Entire Current Asset Including Stock & book Debts of firm arising out of genuine trade transactions ii. Registered Mortgage of house no.30 Karimabad Co.op Housing Society Ltd, Ghod Dod Road, Surat iii. Personal Guarantee of Mr. Barkat Panjwani, Mrs. Kulsumben Panjwani, & Mr. Salimbhai Panjwani.
			Working Capital Loan	Rs.401.43 Lacs	MCLR+2.40%+2.40 %=10.85%	Repayable on Demand	
2	Punjab National Bank	Overdraft Facility of Rs.125 Lacs	Working Capital Loan	Rs.109.07 Lacs	BR+2.65%= 12.25%	Repayable on Demand	i. Registered mortgage of Plot No.5921, R S No.287/P & 288/P GIDC, Sachin , Surat ii. Personal Guarantee of Mr. Barkat Panjwani, Mrs. Kulsumben Panjwani, & Mr. Salimbhai Panjwani.

Details of Trade Payables as Restated**Annexure –XI
(Rs. In Lakhs)**

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Sundry Creditors for Goods	535.22	321.07	185.74	133.35343333	129.08
Sundry Creditors for Expense	45.82	24.49	37.10	16.41	7.22
TOTAL	581.04	345.56	223.84	149.76	136.30

Note: The Information regarding applicability of MSMED Act, 2006 to various suppliers/parties is not available with the assessee, hence bifurcation w.r.t the same has not been given.

Details of Other Current Liabilities as Restated**Annexure –XII
(Rs. In Lakhs)**

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Current Maturities of Long Term Debt					
HDFC Bank-9650-Tata Indigo	-	-	1.94	1.89	1.67
Axis Bank -XYLo	-	-	-	-	0.06
HDFC Bank-5732-Hundai I20	-	-	2.32	1.78	-
HDFC Bank-0692-Swift Desire	-	-	0.42	1.56	1.38
Punjab National Bank - 010091	3.43	-	-	-	-
Punjab National Bank - 010107	26.56	-	-	-	-
Advance received from customers	30.711	-	-	-	-
Other Current Liabilities	0.78	3.78	3.78	3.78	3.78
TOTAL	61.48	3.78	8.46	9.01	6.89

Details of Short Term Provisions as Restated**Annexure –XIII
(Rs. In Lakhs)**

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Provision for income tax	66.82	19.78	9.38	6.45	5.58
Provision of Indirect tax	-	12.85	6.49	4.60	1.22
Provision for others	21.48	3.10	2.29	2.57	1.16
TOTAL	88.30	35.73	18.16	13.62	7.96

Details of Fixed Assets as Restated

Annexure XIV
(Rs. In Lakhs)

Fixed Assets	Gross Block			Depreciation			Net Block			
	As at 01.04.2012	Addition	Deduction	As at 31.03.2013	Upto 01.04.2012	For the year	Deduction	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
Land & Building	10.83	-	-	10.83	1.03	0.93	-	1.96	8.87	-
Plant & Machinery	39.48	-	-	39.48	7.14	5.85	-	12.99	26.49	-
Motor Vehicle	27.20	-	-	27.20	3.10	4.09	-	7.19	20.01	-
Computer	1.58	-	-	1.58	0.83	0.39	-	1.22	0.36	-
Total	79.10	-	-	79.10	12.09	11.27	-	23.36	55.74	-

Fixed Assets	Gross Block			Depreciation			Net Block			
	As at 01.04.2013	Addition	Deduction	As at 31.03.2014	Upto 01.04.2013	For the year	Deduction	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
Land & Building	10.83	5.01	-	15.84	1.96	0.91	-	2.87	12.97	8.87
Plant & Machinery	39.48	-	-	39.48	12.99	4.79	-	17.79	21.70	26.49
Motor Vehicle	27.20	7.23	-	34.44	7.19	6.67	-	13.86	20.58	20.01
Computer	1.58	-	-	1.58	1.22	0.23	-	1.45	0.13	0.36
Total	79.10	12.24	-	91.34	23.36	12.60	-	35.96	55.38	55.74

Fixed Assets	Gross Block			Depreciation			Net Block			
	As at 01.04.2014	Addition	Deduction	As at 31.03.2015	Upto 01.04.2014	For the year	Deduction	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
Land & Building	15.84	-	-	15.84	2.87	1.23	-	4.10	11.74	12.97
Plant & Machinery	39.48	23.86	-	63.35	17.79	5.06	-	22.85	40.50	21.70
Motor Vehicle	34.44	-	-	34.44	13.86	5.33	-	19.18	15.25	20.58
Computer	1.58	0.40	-	1.98	1.45	0.33	-	1.78	0.20	0.13
Total	91.34	24.26	-	115.60	35.96	11.95	-	47.91	67.69	55.38

Fixed Assets	Gross Block			Depreciation			Net Block			
	As at 01.04.2015	Addition	Deduction	As at 31.03.2016	Upto 01.04.2015	For the year	Deduction	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Land & Building	15.84	-	-	15.84	4.10	1.12	-	5.21	10.63	11.74
Plant & Machinery	63.35	5.99	-	69.33	22.85	8.32	-	31.17	38.16	40.50
Motor Vehicle	34.44	-	-	34.44	19.18	3.95	-	23.13	11.30	15.25
Computer	1.98	1.75	-	3.73	1.78	0.68	-	2.46	1.27	0.20
Total	115.60	7.74	-	123.34	47.91	14.07	-	61.98	61.36	67.69

Fixed Assets	Gross Block			Depreciation			Net Block			
	As at 01.04.2016	Addition	Deduction	As at 31.03.2017	Upto 01.04.2016	For the year	Deduction	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
Land & Building	15.84	-	-	15.84	5.21	1.01	-	6.22	9.62	10.63

Plant & Machinery	69.33	2.14	-	71.48	31.17	6.97	-	38.14	33.34	38.16
Motor Vehicle	34.44	(0.27)	-	34.16	23.13	2.93	-	26.06	8.10	11.30
Computer	3.73	3.13	-	6.86	2.46	2.22	-	4.68	2.18	1.27
Total	123.34	4.99	-	128.34	61.98	13.12	-	75.10	53.23	61.36

Details of Non Current Assets as Restated

**Annexure-XV
(Rs. In Lakhs)**

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Investment in Equity instruments	-	0.29	0.29	0.29	0.29
Aggregate Amount of Unquoted	-	-	-	-	-
Aggregate Cost of Quoted	-	0.29	0.29	0.29	0.29
Total	-	0.29	0.29	0.29	0.29

Details of Inventories as Restated

**Annexure-XVI
(Rs. In Lakhs)**

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Stock in Trade	567.75	360.13	268.03	180.12	155.12
TOTAL	567.75	360.13	268.03	180.12	155.12

Details of Trade Receivables as Restated

**Annexure-XVII
(Rs. In Lakhs)**

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Unsecured, considered good					
- Outstanding for less than Six Months	-	-	-	-	-
From Directors/ Promoter/ Promoter Group/Relatives of Directors and Group Companies	-	-	-	-	-
From others					
- Over Six Months	371.26	183.56	81.93	41.60	29.69
-Other than above	1023.18	481.91	201.79	94.59	63.38
From Directors/ Promoter/ Promoter Group/Relatives of Directors and Group Companies	-	-	-	-	-
TOTAL	1394.45	665.47	283.72	136.20	93.06

Details of Cash and Cash Equivalents as Restated

**Annexure-XVIII
(Rs. In Lakhs)**

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Cash in Hand	26.01	47.15	66.58	77.50	71.91
Balances with Bank	16.08	6.38	2.49	0.54	0.85
Total	42.09	53.53	69.07	78.04	72.76

Details of Short Term Loan and Advances as Restated

**Annexure-XIX
(Rs. In Lakhs)**

Particulars	As at March 31,				
	2017	2016	2015	2014	2013

Balance with Govt. authorities					
TDS / TCS Receivables	-	0.17	-	-	-
Advance / Self Assessment Tax	5.00	12.00	6.50	5.50	4.51
Others					
- Advance to Suppliers	34.45	20.32	9.60	21.21	1.61
- Other Prepaid Expenses	48.56	29.93	33.56	16.42	13.61
- Other Receivables	-	-	-	-	-
TOTAL	88.01	62.42	49.66	43.13	19.73

Details of Revenue from Operations as Restated

Annexure-XX
(Rs. In Lakhs)

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
Sale of Services					
Domestic sales	-	-	-	-	-
Revenue from sale of products:- Mfg. (Net of Goods Return)	1639.15	1048.93	802.07	584.37	418.47
Revenue from sale of products:- Trading (Net of Goods Return)	466.18	462.24	207.88	141.70	195.76
TOTAL	2105.33	1511.17	1009.95	726.07	614.22

Details of Other Income as Restated
**Annexure-XXI
(Rs. In Lakhs)**

Particulars	For the year ended March 31,					Nature
	2017	2016	2015	2014	2013	
Vatav Kasar	-	-	-	0.27	-	Non Recurring & related to business activity
Interest Income	-	0.84	-	-	-	Non Recurring & Not related to business activity
Brokerage Income	-	0.88	-	-	-	Non Recurring & Not related to business activity
Total	-	1.72	-	0.27	-	

Details of Employee Benefit Expenses as Restated
**Annexure-XXII
(Rs. In Lakhs)**

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
Salaries and Wages					
Salary And Wages	69.87	-	145.69	-	28.24
Director's Remuneration	27.00	27.00	18.00	18.00	18.00
Total (A)	96.87	158.60	163.69	107.99	46.24
Contribution to Provident and other fund					
Provision for Gratuity	1.06	2.81	1.43	1.79	3.16
Total (B)	1.06	2.81	1.43	1.79	3.16
TOTAL (A)+(B)	97.93	161.41	165.11	109.77	49.41

Details of Finance Cost
**Annexure -XXIII
(Rs. In Lakhs)**

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
Interest					
Interest on short-term loans from Banks	52.91	35.87	15.00	7.64	8.66
Interest on long-term loans from Banks	17.86	7.58	13.71	13.83	14.56
Interest on Unsecured Loan	19.07	21.09	13.01	3.36	2.05
Total (A)	89.84	64.55	41.72	24.83	25.27
Other Borrowing costs					
Other Borrowing costs	3.47	4.37	1.11	4.02	0.48
Total (B)	3.47	4.37	1.11	4.02	0.48
TOTAL (A)+(B)	93.30	68.91	42.83	28.85	25.75

Details of Other Expenses as Restated

**Annexure-XXIV
(Rs. In Lakhs)**

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
Advertisement & Publicity Expenses	26.98	21.51	18.45	7.93	6.22
Sales Promotion Exp	35.74	40.93	30.45	20.97	20.70
Accounting Charges	0.35	0.96	0.96	0.96	0.88
Audit Fees	1.00	0.56	0.56	0.56	0.56
Cold Storage Charges	0.95	2.50	2.85	0.91	0.77
Internet Exp	-	2.08	0.10	0.08	0.09
Due Delligence Charges	-	-	-	-	-
Laboratory Exp	0.28	2.34	2.38	0.82	0.39
Brokerage Exp	-	0.56	-	-	-
Computer Exp	0.84	2.20	0.57	1.51	0.97
Stationery & Printing Exp	0.89	1.47	1.70	1.60	1.58
Municipal Corporation Tax	0.84	0.97	0.55	0.55	0.19
Courier, Postage & Xerox Expenses	0.97	0.37	0.30	0.30	0.19
Factory Exp	1.88	0.60	4.26	3.36	0.99
Donation	-	0.51	0.63	0.19	0.72
Freight Expenses	3.49	9.42	9.94	5.29	2.30
Insurance Expenses	3.99	1.32	0.91	1.20	0.99
Kasar / Discount	-	1.83	-	-	-
Legal & Professional Fees Expenses	1.03	1.04	0.82	1.21	0.61
Rate Difference	0.83	0.63	0.89	0.30	0.02
Rent Exp	2.40	1.80	1.81	1.80	1.80
Security Exp	1.45	1.38	1.26	1.11	1.06
Office Expenses	0.43	0.32	0.26	0.07	0.05
Power & Fuel Expenses	5.80	4.36	4.39	4.04	2.59
Vat /Sales Tax	8.23	15.79	13.72	12.12	6.76
Job work Exp	27.18	8.82	-	-	-
Repairs & Maintenance Expenses	1.55	8.20	3.30	1.62	0.67
Telephone EXP	1.13	0.67	0.61	0.59	0.54
Travelling Exp	-	6.20	4.73	2.69	1.12
Petrol & Maintenance Of Vehicle	1.49	2.46	3.54	2.28	1.95
Discount Exp	0.59	-	-	-	0.13
Registration Exp	-	0.10	-	0.08	0.26
Transportation Exp	0.77	1.61	-	-	-
Balance Written Off	0.29	-	-	-	-
Shop Exp	0.43	-	-	-	-
Packing Expenses	48.67	5.77	6.89	1.49	0.41
Trademark Exp	0.61	0.35	1.99	-	-
Misc Exp	0.58	0.47	1.74	0.03	-
TOTAL	181.71	150.10	120.56	75.71	55.51

Details of Related Party as Restated

**Annexure-XXV
(Rs. In Lakhs)**

2012-13		2013-14		2014-15		2015-16		2016-17	
Name	Relation	Name	Relation	Name	Name	Name	Relation	Name	Relation
Barkat K Panjawani	Director								
Kulsumben K Panjawani	Relative of Key Managerial Personnel	Kulsumben K Panjawani	Relative of Key Managerial Personnel	Kulsumben K Panjawani	Relative of Key Managerial Personnel	Kulsumben K Panjawani	Relative of Key Managerial Personnel	Kulsumben K Panjawani	Relative of Key Managerial Personnel
Salimbhai K Panjawani	Relative of Key Managerial Personnel	Salimbhai K Panjawani	Relative of Key Managerial Personnel	Salimbhai K Panjawani	Relative of Key Managerial Personnel	Salimbhai K Panjawani	Relative of Key Managerial Personnel	Salimbhai K Panjawani	Relative of Key Managerial Personnel
Sahebali S. Panjawani	Director								
Nairishaben Sadiq bhai	Relative of Key Managerial Personnel	Nairishaben Sadiq bhai	Relative of Key Managerial Personnel	Meenaz B Panjawani	Director	Sadiqbhai S. Panjawani	Relative of Key Managerial Personnel	Sadiqbhai S. Panjawani	Relative of Key Managerial Personnel
Meenaz B Panjawani	Director	Meenaz B Panjawani	Director	Sadiqbhai S. Panjawani	Relative of Key Managerial Personnel	Meenaz B Panjawani	Director	Meenaz B Panjawani	Director
Shamsah Sahebali	Relative of Key Managerial Personnel							Alwina Panjawani	Director
Yasminaben Salimbhai	Relative of Key Managerial Personnel							Amrin Panjawani	Relative of Key Managerial Personnel
Sadiqbhai S. Panjawani	Relative of Key Managerial Personnel								

Name of the Party	Nature of Relation	Nature of Transaction	Amount of outstanding as on 31.3.12 (Payable)/ Receivable	Amount of transaction Dr in 2012-13	Amount of transaction Cr in 2012-13	Amount of outstanding as on 31.3.13 (Payable)/ Receivable	Amount of transaction Dr in 2013-14	Amount of transaction Cr in 2013-14	Amount of outstanding as on 31.3.14 (Payable)/ Receivable	Amount of transaction Dr in 2014-15	Amount of transaction Cr in 2014-15	Amount of outstanding as on 31.3.15 (Payable)/ Receivable	Amount of transaction Dr in 2015-16	Amount of transaction Cr in 2015-16	Amount of outstanding as on 31.3.16 (Payable)/ Receivable	Amount of transaction Dr in 2016-17	Amount of transaction Cr in 2016-17	Amount of outstanding as on 31.3.17 (Payable)/ Receivable
Barkat K Panjawan	Director	Partners salary	-	6.00	6.00	-	6.00	6.00	-	6.00	6.00	-	9.00	9.00	-	9.00	9.00	-
Barkat K Panjawan	Director	Interest On Partners Capital	-	0.38	0.38	-	0.60	0.60	-	4.35	4.35	-	4.42	4.42	-	-	-	-
Barkat K Panjawan	Director	Rent Paid	-	0.60	0.60	-	0.60	0.60	-	-	-	-	-	-	-	-	-	-
Barkat K Panjawan	Director	Unsecured Loan	-	-	-	-	-	-	-	-	-	-	-	-	-	159.84	367.36	(207.52)
Kulsumben K Panjwani	Director	Partners salary	-	6.00	6.00	-	6.00	6.00	-	6.00	6.00	-	9.00	9.00	-	9.00	9.00	-
Kulsumben K Panjwani	Director	Interest On Partners Capital	-	0.62	0.62	-	0.60	0.60	-	2.71	2.71	-	1.54	1.54	-	-	-	-
Kulsumben K Panjwani	Director	Rent Paid	-	0.60	0.60	-	0.60	0.60	-	1.20	1.20	-	1.20	1.20	-	-	-	-

i																		
Salimbhai K Panjwani	Director	Partners salary	-	6.00	6.00	-	6.00	6.00	-	6.00	6.00	-	9.00	9.00	-	9.00	9.00	-
Salimbhai K Panjwani	Director	Interest On Partners Capital	-	0.60	0.60	-	0.60	0.60	-	1.22	1.22	-	1.83	1.83	-	-	-	-
Salimbhai K Panjwani	Director	Unsecured Loan	-	-	-	-	-	-	-	-	-	-	-	-	-	7.84	38.83	(30.99)
Salimbhai K Panjwani	Director	Partners salary	-	-	-	-	4.00	4.00	-	4.00	4.00	-	2.42	4.80	(2.38)	2.38	-	-
Salimbhai K Panjwani	Director	Loans & Advances Given	4.29	12.45	1.20	15.54	15.99	20.35	11.18	6.88	0.90	17.17	-	12.30	4.87	14.45	19.68	(0.36)
Salimbhai K Panjwani	Director	Partners salary	-	-	-	-	4.18	4.18	-	1.91	4.00	(2.09)	3.66	4.00	(2.43)	2.43	-	-
Salimbhai K Panjwani	Director	Loans & Advances Given	4.50	6.98	-	11.48	0.05	5.00	6.53	-	4.70	1.83	-	0.50	1.33	9.27	11.83	(1.23)
Nairishaben Sadiqbhai	Director	Salary	-	-	-	-	2.76	2.76	-	-	-	-	-	-	-	-	-	-
Nairishaben Sadiq	Director	Loans & Advances Given	2.75	-	-	2.75	-	2.75	-	-	-	-	-	-	-	-	-	-

bhai																		
Meenaz B Panjwani	Director	Loans & Advances Given	2.90	0.18	-	3.08	7.00	10.80	(0.72)	-	14.13	(14.85)	10.00	10.20	(15.05)	18.27	15.05	(11.83)
Shamsah Sahebbali	Wife of Director	Loans & Advances Given	3.00	-	-	3.00	-	3.00	-	-	-	-	-	-	-	-	-	-
Shamsah Sahebbali	Wife of Director	Salary	-	-	-	-	3.00	3.00	-	-	-	-	-	-	-	-	-	-
Yasmina ben Salimbhai	Mother of Director	Loans & Advances Given	2.95	-	-	2.95	-	2.95	-	-	-	-	-	-	-	-	-	-
Yasmina ben Salimbhai	Mother of Director	Salary	-	-	-	-	3.00	3.00	-	-	-	-	-	-	-	-	-	-
Kulsumben K Panjwani	Mother of Director	Loans & Advances Given	-	-	-	-	-	-	-	-	-	-	-	-	-	1.49	32.07	(30.58)
Amrin Panjwani	Daughter if Director	Unsecured Loan	-	-	-	-	-	-	-	-	-	-	-	-	-	0.79	0.79	-
Alwina Panjwani	Daughter if Director	Unsecured Loan	-	-	-	-	-	-	-	-	-	-	-	-	-	0.79	0.79	-

Summary of Significant Accounting Ratios as Restated

**Annexure-XXVI
(Rs. In Lakhs)**

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
Profit after tax as restated	139.28	37.23	19.72	8.72	7.53
Number of equity shares outstanding at the end of the year	32,20,000	32,20,000	32,20,000	32,20,000	32,20,000
Issue of Preferential Shares by conversion of unsecured loan	19,80,000	19,80,000	19,80,000	19,80,000	19,80,000
No. of Equity Shares at the end of the year / period after considering Preferential Issue	52,00,000	52,00,000	52,00,000	52,00,000	52,00,000
Net Worth	536.98	288.13	118.88	126.65	73.04
<u>Earnings Per Share</u>					
Basic EPS	4.33	1.16	0.61	0.27	0.23
Diluted EPS	2.68	0.72	0.38	0.17	0.14
Return on Net Worth (%)	25.94%	12.92%	16.59%	6.88%	10.31%
Net Asset Value Per Share (Rs)	16.68	8.95	3.69	3.93	2.27
Nominal Value per equity share (Rs.)	10.00	10.00	10.00	10.00	10.00

Ratios have been calculated as below :-

Basic and Diluted Earnings Per Share (EPS) (Rs.) $\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Weighted Average Number of Equity Shares at the end of the year / period}}$

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.) $\frac{\text{Restated Net worth of Equity Shareholders}}{\text{Number of Equity Shares outstanding at the end of the year}}$

Note : The partnership firm has been converted into the company as on 03rd March 2017. The EPS & NAV per share have been computed by assuming that the no. of share outstanding as on March 31, 2017 is outstanding in all the previous financial years.

Capitalisation Statement as at March 31, 2017
Annexure-XXVII

(Rs. In Lakhs)

Particulars	At 31/03/2017	Pre Issue	Post Issue
Borrowings			
Short term debt (A)	603.09	603.09	603.09
Long term debt (B)	299.49	91.97	91.97
Total debt (C)	902.59	695.07	695.07
Shareholders' funds			
Equity share capital	322.00	520.00	[•]
Reserve and surplus - as restated	214.98	377.34	[•]
Total shareholders' funds	536.98	897.34	[•]
Long term debt / shareholders funds	0.56	0.10	[•]
Total debt / shareholders funds	1.68	0.77	[•]

Statement of Tax Shelters
XXVIII

Annexure-

(Rs. In

Lakhs)

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
Profit before tax as Restated (A)	206.06	56.37	27.35	16.73	11.57
Tax Rate as per IT (%)	33.06	30.90	30.90	30.90	30.90
MAT Rate (%)	20.39	19.06	19.06	19.06	19.06
Adjustments :					
Permanent Differences(B)					
Interest on TDS	-	0.19	0.04	-	-
Donation	-	0.26	0.63	0.19	0.47
Total Permanent Differences(B)	-	0.44	0.67	0.19	0.47
Timing Differences (C)					
Depreciation as per Books	13.12	14.07	11.95	12.60	11.27
Depreciation as per IT Act	16.56	11.21	10.53	9.31	8.87
Gratuity	1.06	2.81	1.43	1.79	3.16
Total Timing Differences (C)	(2.38)	5.67	2.85	5.08	5.56
Net Adjustments D = (B+C)	(2.38)	6.11	3.52	5.27	6.03
Tax expense / (saving) thereon	(0.79)	1.89	1.09	1.63	1.86
Taxable Income/(Loss) (A+D)	203.68	62.48	30.87	22.00	17.60
Income Tax Payable (E)	67.34	19.31	9.54	6.80	5.44
Taxable Income/(Loss) as per	206.06	56.37	27.39	16.73	11.57
MAT Payable (F)	42.01	10.78	5.23	3.19	2.20
Interest u/s 234A/B/C	-	1.00	0.38	0.19	0.14
Total Tax	67.34	20.30	9.92	6.99	5.58
Tax payable as per normal or MAT (higher of (E) or (F))	Normal	Normal	Normal	Normal	Normal

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 for the F.Y. ended March 31, 2017, 2016, 2015, 2014 and 2013 including the notes and significant accounting policies thereto and the reports thereon, which appear elsewhere in this Draft Red Herring Prospectus. You should also see the section titled "Risk Factors" beginning on page 15 of this Draft Red Herring Prospectus, which discusses a number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to our Company, unless otherwise stated, is based on restated audited financial statements.

These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditors dated September 27, 2017 which is included in this Draft Red Herring Prospectus under the section titled "Financial Information" beginning on page 133 of this Draft Red Herring Prospectus. The restated financial statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. We do not provide a reconciliation of our restated financial statements to US GAAP or IFRS and we have not otherwise quantified or identified the impact of the differences between Indian GAAP and U.S. GAAP or IFRS as applied to our restated financial statements.

BUSINESS OVERVIEW

We are presently engaged into manufacturing, producing, processing, trading of consumer food items, Blended spices, whole spices and Grounded spices, Grocery, Instant Foods, Khakhra, Nakeens used at Diwali times, ready to cook products, dry fruits, Ghee, Pickles, Papad, Mukhwās etc. Few famous spices from the house of S.K. Masala are "Kashmiri Chilli powder", "Gram Masala", "Chicken Masala", "Milk Masala" & "Pav Bhaji Masala". Further these products are available in different varieties. We are able to serve better with such diversified product basket.

We believe that we have differentiated ourselves from our competitors through introduction of new products, including launching innovative flavours targeted at addressing consumer taste, market trends and providing superior value to consumers. Our diversified product portfolio enables us to cater to a wide range of taste preferences and consumer segments. Our products in the Ready to Eat, Instant Food, category are primarily targeted at the working woman while our other products are for all consumer segments. Our diversified product portfolio is therefore, relatively less susceptible to shifts in consumer preferences, market trends and risks of operating in a particular product segment.

Our Company has entered into a Brand Ambassador agreement with Mr. Ripu Daman Handa on June 07, 2017, who is a celebrity and won Master Chef in year 2013, Season 3 with channel Star Plus and is extensively known for his brand promotion and endorsement qualities who represents a brand in a positive light and by doing so helps to increase brand awareness and sales.

We have started our journey in 1968 in small scale and entered into partnership firm in year 1972. Our company has a manufacturing facility at Plot No:-5921, Sachin, GIDC, Surat, Gujarat, India. S. Khushaldas & Company known as S.K.Masala is known for quality spices which are started by Mrs. Kulusumben K. Panjawani in the year 1968 having its principal place of business at 9/1735, Chauta Bazar, Surat – 395003, Gujarat, India. The Firm was duly registered under the provisions of Indian Partnership Act, 1932 with Registrar of Firms at Surat (Gujarat) vide Registration No. GUJ/BRD/13262. The process of conversion of Firm into Body Corporate commenced by and under a partnership deed dated December 20, 2016, the other promoter Mr. Barkatbhai Panjawani and promoter group namely, Mr. Salimbhai Kamruddin Panjawani, Mr. Sahebali Salimbhai Panjawani, Mr. Sadik Salimbhai Panjawani, Ms. Minaz Barkatali Panjawani, Ms. Alwina Barkatali Panjawani and

Ms. Amrin Barkatali Panjwani were admitted to the partnership and the name of the Firm was changed to M/s. S.K. Masala & Foods and the place of business was changed to 10/10, Chauta Bazar, Surat – 395003, Gujarat, India.

M/s. S.K. Masala & Foods has thereafter been converted from a partnership firm to a public limited company under the provisions of Part I of Chapter XXI of the Companies Act, 2013 to operate under the name of ‘S.K. Masala and Foods Limited’. Our Company has received a certificate of incorporation from the Registrar of Companies, Ahmedabad on March 3, 2017 bearing CIN number U15549GJ2017PLC096061 hence most of the consents, approval, licenses, registrations, permissions are in the name of partnership firm.

Our promoter, Mr. Barkat Panjwani, who has been at the forefront of our Company’s stellar performance over the years is the pillar of our Company’s business ideology and growth strategies. We distribute our product across Gujarat and Saurashtra through various own franchisee and departmental stores. Our Company is associated with 4 (four) Franchisee in various part of Gujarat and in process of entering with few more Franchisee agreement.

We are equipped with all facilities to execute all types of manufacturing activities such as cleaning, drying, grading, grinding, packaging, etc. We have a well-equipped processing unit at Plot No:-5921, Sachin, GIDC, Surat, Gujarat, India with an area of 1008 Sq. Mtr.

Our Company is consistent in supplying of quality products round the year as customized blends are made available to them as per the market demand. Our products comply with requisite food safety standards. As a quality conscious company, we provide high performance oriented range of products. We undertake extremely stringent quality checks at every level of the manufacturing processes. Our Company is ISO 22000:2005 certified for manufacturing of Spices, Flours, Ready to Cook Foods, Ready to Eat Foods, Instant Mix and Supply of Dry Fruits, Pickles, Papad, Ghee, Rice, Tea, Grocery and Khakra by British Certifications Inc and HACCP 15000:1998 certified by British Certifications Inc. for Manufacturing of Spices, Flours, Ready to Cook Foods, Ready to Eat Foods, Instant Mix and Supply of Dry Fruits, Pickles, Papad, Ghee, Rice, Tea, Grocery and Khakra.

We are constantly striving to expand our line of products and we are always on the lookout for complementary products that will add to our solution bouquet. We would seek product lines which have better scope for value addition and therefore offer us higher than average margins.

RECOGNITIONS & AFFILIATIONS

 <p>Outstanding Young Indian Award</p>	 <p>Alliance Utsav Award</p>
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ORDER BOOK

Our order book consists of following as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Product	Qty
1.	chorafali	15000 Kg
2.	mathiya	15000 Kg

3.	Rava	3000 Kg
4.	Maida	3000 Kg
5.	Sooji	3000 Kg
6.	Pure ghee	1800 Kg

LOCATION

Registered Office	Atlanta Enterprise, 2 nd Floor, Shop-43, Moje:Althan, Bhimrad Canal Road, Surat-395017, Gujarat, India
Processing Unit	Plot No:-5921, Sachin, GIDC, Surat, Gujarat, India
Stores	L-7, Bhavik Complex, Opp. Turning Point, Ghod Dod Road, Surat, Gujarat, India
	9/1735, Chauta Bazar, Surat, Gujarat, India
	Ward 10, Survey 9, Chauta Bazar area, Surat - Choryasi
	10/10 First Floor kelapath krushna Restaurant Chawta Bazar, Suart, India

Our Product Portfolio:

Sr. No	Product	Product Name	Varieties
1.		<p>Blended Spices</p>	<p>Mumbai Pavbhaji Masala, Super Garam Masala, Pani Puri Masala, Chaat Masala, Jaljira Masalaala, Idli Sambar Masala, Punjabi Chole Masala, Fish Masala, Kesari Milk Masala, Pizza Masala, Biryani Pulav Masala, Chicken Lollypop, Chicken Masala, Dabeli Masala, Ganthoda Powder, Gol Keri Sambhar Masala, Gunda Keri Sambhar Masala, Instant Gravy (Jain) Masala, Special Garam Masala.</p>

2.		Whole & Ground Spices	<p>Turmeric Powder, Kashmiri Chilli Powder, Corriander Powder, Amchur Powder, Avrai Powder, Badiyan, Batrisu Powder, Boriya Marcha, Custard Powder, Dhana Dal, Dagar Fool, Dhana Kuriya, Elaichi Green, Ganthoda Aakha, Hira Bor, Hirakani Gunder, Javantri, Jayafal, Jiru, Sanchal Powder, Sakar, Safed Mari, Methi Powder, Limbu, Kokam Lonawala, Khas Khas, Kalkatti Pan</p>
3.		Flour	<p>Besan, Maida, Sooji, Rava and Wheat Flour</p>

4.		Grocery	Aajma, Dhana Dal, Dhani, Elaichi, Jeera , Rai, Suva, Laving Instant (Ready Mix): Dum Aalu Mix, Palak Paneer Mix, Paneer Tikka Masala, Chicken 65 Mix, Chicken Lollypop Mix
5.		Khakhra	Cholafali Khakhra, Garlic Khakhra , Jira Khakhra, Masala Khakhra, Manchurian Khakhra, Palak Khakhra, Panipuri Khakhra
6.		Pickles	Gol Keri (Sweet Mango), Green Chilly Pickle, Kerda Pickle, Sweet Limbu, Mix Pickles

7.		Papad	Jira Papad, Lasan Papad, Mari Papad, Tiranga Papad.
8.		Ready to Eat	Ready To Eat Pavbhaji, Ready To Eat Dal Fry , Ready To Eat Dal Makhani, Ready To Eat Dal Tadaka, Ready To Eat Jain Dal Fry, Ready To Eat Mutter Panner, Ready To Eat Panner Bhurji
9.		Dry Fruit	Sweet Aamala, Pista Sada, Pista Namakin, Namakin Pista, Namakin Adu, Marcha Kaju, Kismish Chaman, Kismish Black, Kishmish Sanduka, Kishmish Chaman, Kharek, Kaju Tukada, Kaju Super, Badam American, Green Pista, Badam Mamaro, Anjir Super, Akharot Aakha, Aalu Super

10.		Mukhwas	Aajma Dal, Digestive Mukhwas, Chocolate Mukhwas, Delivery Mukhwas, Digestiv Mukhwas, Dilkhush Mukhwas, Green Mukhwas, Gulab Mukhwas, Mango Mukhwas, Namkin Dry Fruit Mukhwas, Navrang Mukhwas, Puna Mukhwas, Royal Mukhwas, Shahi Mukhwas, Special Mukhwas, Swadist Mukhwas, Sweet Namkin Mukhwas, Testi Mukhwas
11.		Ghee	Cow Ghee, pure ghee

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION:

- a) Seasoning Business
- b) Mood/trend of the consumers
- c) Behaviour of the consumer towards industry
- d) Government and regulatory changes
- e) Marketing and Distribution/penetration
- f) Quality of the products
- g) Expiry date of Food Products

SIGINIFICANT ACCOUNTING POLICIES

Our Significant Accounting policies are described in the section entitles “*Financial Information of the Company*” on page no. 133 of the Draft Red Herring Prospectus.

Corporate Information

S.K .Masala and Foods Limited is a public company incorporated on 3rd March 2017 under the provisions of Companies Act, 2013 with Registrar of Companies, Ahmedabad vide Registration No. U15549GJ2017PLC096061. Pursuant to Shareholders, Special Resolution passed at the Extra Ordinary General Meeting held on 08.12.2016 by conversion of Partnership Firm into company and the said firm is constituted from 20.12.2016.

The Company is engaged in manufacturing of Quality Spices, Ready to cook & food Related Products

M. Basis of preparation of Financial Statements:

The restated summary statement of assets and liabilities of the Company as at March 2017, 2016, 2015, 2014 and 2013 and the related restated summary statement of profits and loss and restated summary statement of cash flows for the financial year ended March 2017, 2016, 2015, 2014 and 2013 (herein collectively referred to as “restated summary statements”) have been compiled by the management from the audited financial statements of the Company for the financial year ended on March 2017, 2016, 2015, 2014 and 2013 and approved by the board of directors of the Company. The restated summary statements have been prepared to comply in all material respects with the sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 (“the Act”) 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). The 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.

N. Use of Estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect amounts in the financial statements and reported notes thereto. Actual results could differ from these estimates. Differences between the actual result and estimates are recognized in periods in which the results are known/ materialized.

O. Property, Plant & Equipment

Property, Plant & Equipments are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. The cost of an asset comprises of its purchase price and any directly attributable cost of bringing the assets to working condition for its intended use. Expenditure on additions, improvements and renewals is capitalized and expenditure for maintenance and repairs is charged to profit and loss account.

P. Depreciation:

Depreciation on Property, Plant & Equipments for the year ended on March 31, 2017, 2016, 2015, 2014 & 2013 is calculated on Written Down Basis (WDV) basis for all tangible and intangible assets using the rates prescribed under Schedule XIV of the Companies Act, 1956. Depreciation on Property, Plant & Equipments for the year ended on March 31, 2017, 2016 & 2015 is calculated on Written Down Basis (WDV) basis for all tangible and intangible assets using the rates arrived at based on the method prescribed under Schedule II of the Companies Act, 2013.

Q. Valuation of Inventories:

Cost of inventory includes all cost of purchases and other cost incurred in bringing the inventories to their present location and condition. Inventory for manufactured goods is valued at Cost or Net Realizable Value whichever is Less

R. Valuation of Investments:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

Current Investments are carried at lower of cost and fair value determined on an individual investment basis.

Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments.

S. Revenue Recognition:

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Revenue from Operations

Sale of Manufactured / Traded Goods Sale of manufactured / traded goods/material is recognized as revenue when significant risk and rewards of ownership relating to the goods are transferred to the buyer.

Revenue from Other Sources Other Income have been recognized on accrual basis.

T. Employee Benefits:

i. **Short Term Employee Benefits:**

All employee benefits payable within twelve months of rendering of services are classified as short term benefits. Benefits include salaries, wages, awards, ex-gratia, performance pay, etc. and are recognized in the period in which the employee renders the related service. Liability on account of encashment of leave, Bonus to employee is considered as short term compensated expense provided on actual.

ii. **Post Employment Benefit :**

Defined Benefit Plan:

Provision for gratuity is assessed on actuarial basis and is provided accordingly.

Our Results of Operations: The following table sets forth select financial data from our restated statements of profit and loss for the financial years 2013, 2014, 2015, 2016 and 2017 , the components of which are also expressed as a percentage of total revenue for such periods:

Sr No.	Particulars	2015	% of total Income	2016	% of total Income	2017	% of total Income
I.	Revenue from operations	1010	100.00%	1511.2	99.89%	2105.3	100.00%
II.	Other income	-	-	1.72	0.11%	-	-
III.	Total Revenue (I + II)	1010	100.00%	1512.9	100.00%	2105.3	100.00%
IV.	Expenses:						
	Purchases of Stock-in-Trade	730.07	72.29%	1154.2	76.29%	1720.8	81.74%
	Changes in inventories	-87.91	-8.70%	-92.1	-6.09%	-207.62	-9.86%
	Employee benefits expense	165.11	16.35%	161.41	10.67%	97.93	4.65%
	Finance costs	42.83	4.24%	68.91	4.55%	93.3	4.43%
	Depreciation and amortization expense	11.95	1.18%	14.07	0.93%	13.12	0.62%
	Other expenses	120.53	11.93%	150.09	9.92%	181.43	8.62%
	Total expenses	982.59	97.29%	1456.5	96.27%	1899	90.20%
V.	Profit before exceptional and extraordinary items and tax (III-IV)	27.35	2.71%	56.37	3.73%	215.52	10.24%
VI.	Exceptional items	-	-	-	-	-	-
VII.	Profit before extraordinary items and tax (V - VI)	27.35	2.71%	56.37	3.73%	215.52	10.24%
VIII.	Extraordinary Items-	-	-	-	-	-	-
IX.	Profit before tax (VII- VIII)	27.35	2.71%	56.37	3.73%	215.52	10.24%
X.	Tax expense:						
	(1) Current tax	9.92	0.98%	20.3	1.34%	67.34	3.20%
	(2) MAT Credit	-	-	-	-	-	-
	(3) Deferred tax	-2.29	-0.23%	-1.16	-0.08%	-0.56	-0.03%
XI.	Profit (Loss) for the period from continuing operations (VII-VIII)	19.72	1.95%	37.23	2.46%	139.28	6.62%
XII.	Profit/(loss) from discontinuing operations	-	-	-	-	-	-
XIII.	Tax expense of discontinuing operations	-	-	-	-	-	-
XIV.	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)	-	-	-	-	-	-
XV.	Profit (Loss) for the period (XI + XIV)	19.72	1.95%	37.23	2.46%	139.28	6.62%

Financial Year 2017 as compare to Financial Year 2016

Total Revenue: Our total Revenue is increased by 39.16% to ` 2105.33 lakh for the financial year 2017 from ` 1512.89 Lakh for the financial year 2016, primarily due to increase in sale of products of the company.

Revenue from Operations: Our Revenue from operation is increased by 39.32 % to ` 2105.33 Lakh for the financial year 2017 from ` 1511.17 Lakh for the financial year 2016, primarily due to increase in income from sale of products.

Expenses

Cost of Goods Sold : Our Cost of Goods Sold were ` 1513.20 Lakh for the financial year ended March 31, 2017 mainly consists Cost of the Products sold . Cost of Goods Sold are 71.87 % of total revenue for the financial; year ended March 31, 2017 as compare to 70.20 % for financial year ended March 31, 2016. This increase was mainly due to increase in Sale of Goods.

Employee Benefit Expenses: Our Employee Benefit Expenses were ` 97.93 lakh for the financial year ended March 31, 2017 mainly consist salaries, staff welfare expenses etc. Employee Benefit expenses are 4.65 % of total revenue for the financial year ended March 31, 2017 as compare to 10.67% for FY 2016.

Other Expenses: Our Other Expenses were ` 181.43 lakh for the financial year ended March 31, 2017 mainly consist Job work Packing Material, Advertisement & Sales Promotion etc. other expenses was 8.62% of total revenue for the financial year ended March 31,2017 as compare to 9.92% for FY ended March 31,2016.

Finance Cost: Our Finance Cost was ` 93.30 Lakh for the financial year ended March 31, 2017 mainly consist of Interest on Term Loan and Finance Charges. Finance Cost was 4.43% of total revenue for the financial year ended March 31, 2017 as compare to 4.55% for FY ended March 31, 2016.

Depreciation: Depreciation Expenses were ` 13.12 Lakh for the financial year ended March 31, 2017 mainly consist Depreciation of Tangible Assets. Depreciation Expenses were 0.62% of total revenue for the financial year ended March 31, 2017 as compare to 0.93% for FY ended March 31, 2016.

Financial Year 2016 as compare to Financial Year 2015

Total Revenue: Our total Revenue is increased by 49. 79% to ` 1512.89 lakh for the financial year 2016 from ` 1009.95 Lakh for the financial year 2015, primarily due to increase in Sale of products of the company.

Revenue from Operations: Our Revenue from operation is increased by 49.63 % to ` 1511.17 Lakh for the financial year 2016 from ` 1009.95 Lakh for the financial year 2015, primarily due to increase in income from sale of products.

Expenses

Cost of Goods Sold : Our Cost of Goods Sold were ` 1062.05 Lakh for the financial year ended March 31, 2016 mainly consists Cost of the Products sold. Cost of Goods Sold are 70.20 % of total revenue for the financial; year ended March 31, 2016 as compare to 63.58% for financial year ended March 31, 2015. This increase was mainly due to increase in Sale of Goods.

Employee Benefit Expenses: Our Employee Benefit Expenses were ` 161.41 lakh for the financial year ended March 31, 2016 mainly consist salaries, staff welfare expenses etc. Employee Benefit expenses are 10.67 % of total revenue for the financial year ended March 31, 2016 as compare to 16.35% for financial year ended March 31, 2015.

Other Expenses: Our Other Expenses were ` 150.09 lakh for the financial year ended March 31, 2016 mainly consist Job work Packing Material, Advertisement & Sales Promotion etc. other expenses was 9.92% of total revenue for the financial year ended March 31,2016 as compare to 11.93% for FY ended March 31,2015

Finance Cost: Our Finance Cost was ` 68.91 Lakh for the financial year ended March 31, 2016 mainly consist of Interest on Term Loan and Finance Charges. Finance Cost was 4.55% of total revenue for the financial year ended March 31, 2016 as compare to 4.24% for FY ended March 31, 2015.

Depreciation: Depreciation Expenses were ` 14.07 Lakh for the financial year ended March 31, 2016 mainly consist Depreciation of Tangible Assets. Depreciation Expenses were 0.93% of total revenue for the financial year ended March 31, 2016 as compare to 1.18% for FY ended March 31, 2015.

Financial Year 2015 as compare to Financial Year 2014

Total Revenue: Our total Revenue is increased by 39. 05% to ` 1009.95 Lakh for the financial year 2015 from ` 726.07 Lakh for the financial year 2014, primarily due to increase in Sale of the Products of the company.

Revenue from Operations: Our Revenue from operation is increased by 39.10 % to ` 1009.95 for the financial year 2015 from ` 726.07 for the financial year 2014, primarily due to increase in Sale of Products of the Company.

Expenses

Cost of Goods Sold : Our Cost of Goods Sold were ` 642.16 Lakh for the financial year ended March 31, 2015 mainly consists Cost of the Products sold. Cost of Goods Sold are 63.58 % of total revenue for the financial; year ended March 31, 2015 as compare to 66.45% for financial year ended March 31, 2014. This increase was mainly due to increase in Sale of Goods.

Employee Benefit Expenses: Our Employee Benefit Expenses were ` 165.11 lakh for the financial year ended March 31, 2015 mainly consist salaries, staff welfare expenses etc. Employee Benefit expenses are 16.35 % of total revenue for the financial year ended March 31, 2015 as compare to 15.11% for financial year ended March 31, 2014.

Other Expenses: Our Other Expenses were ` 120.53 lakh for the financial year ended March 31, 2015 mainly consist Job work Packing Material, Advertisement & Sales Promotion etc. other expenses was 11.93% of total revenue for the financial year ended March 31,2015 as compare to 10.42% for FY ended March 31,2014.

Finance Cost: Our Finance Cost was `42.83 Lakh for the financial year ended March 31, 2015 mainly consist of Interest on Term Loan and Finance Charges. Finance Cost was 4.24% of total revenue for the financial year ended March 31, 2015 as compare to 3.97% for FY ended March 31, 2014.

Depreciation: Depreciation Expenses were ` 11.95 Lakh for the financial year ended March 31, 2015 mainly consist Depreciation of Tangible Assets. Depreciation Expenses were 1.18% of total revenue for the financial year ended March 31, 2015 as compare to 1.73% for FY ended March 31, 2014.

Financial Condition, Liquidity and Capital Resources

We define liquidity as our ability to generate sufficient funds from internal and external sources to meet our obligations and commitments. In addition, liquidity includes the ability to obtain appropriate equity and debt financing and to convert into cash those assets that are no longer required to meet existing strategic and financial objectives. Liquidity cannot be considered separately from capital resources that consist of current or potentially available funds for use in achieving long-range business objectives and meeting debt service and other commitments.

We have historically financed our capital requirements primarily through cash generated from the issuance of equity shares, cash generated from operating activities and financing from banks and other financial institutions in the form of term loans,. We are required to undertake capital investment on a regular basis to purchase and upgrade our infrastructure, among other things. Our financing requirements are primarily for such capital expenditures, developing and implementing new infrastructure and working capital. We believe that we will have sufficient capital resources from our operations, Net Proceeds of the Offer and other financing from banks, financial institutions and other lenders to meet our capital requirements for at least the next 12 months.

Financial Condition, Liquidity and Capital Resources

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We have historically financed our capital requirements primarily through cash generated from the issuance of equity shares, cash generated from operating activities and financing from banks and other financial institutions in the form of term loans,. We are required to undertake capital investment on a regular basis to purchase and upgrade our infrastructure, among other things. Our financing requirements are primarily for such capital expenditures, developing and implementing new infrastructure and working capital. We believe that we will have sufficient capital resources from our operations, Net Proceeds of the Offer and other financing from banks, financial institutions and other lenders to meet our capital requirements for at least the next 12 months.

CASH FLOWS

The table below is the summary of Cash flows for the Financial Year ended 2017, 2016 and period ended June 20, 2017:

Particulars	For the year ended(in Lakh)				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Net Cash Generated from Operating Activities	(365.70)	(217.67)	(90.56)	3.61	48.63
Net Cash from Investing Activities	(4.71)	(6.90)	(24.26)	(12.24)	(13.94)
Net Cash from Financing Activities	358.98	209.03	105.85	13.91	(4.78)

INDEBTEDNESS

Please refer “**Financial Indebtedness**” on page no. 178 of the Draft Red Herring Prospectus for details of Indebtedness of the company.

CREDIT RATING

No credit rating availed by our Company.

CAPITAL AND OTHER COMMITMENTS: N.A

CAPITAL EXPENDITURE: N.A

RELATED PARTY TRANSACTION

Please refer “**Related Party Transaction**” on page no. 131 of this Draft Red Herring Prospectus.

OFF BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

EXCHANGE RATE RISK

Our company does not have any Foreign Exchange Exposure.

RAW MATERIAL COST RISK

INFLATION RISK

INTEREST RISK

CREDIT RISK

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

To our knowledge, there have been no transactions or events which, in our judgment, would be considered unusual or infrequent.

SIGNIFICANT DEVELOPMENTS OCCURRING POST March 31, 2017

1. The company has converted the unsecured loan into the equity shares of the company in vide resolution passed in the board meeting dated September 01, 2017 and in the general meeting dated September 27, 2017 and September 28, 2017.
2. Franchisee agreement

Sr. No.	Date	Name of the Franchisee	Address	Period
1.	30 th September,2008	Chintav Enterprise	Shop no. G-14, Shree Morarji Desai Complex, Opp. Millennium Mall, Station Road, Bardoli, Gujrat	5 years Starting From 30 th September,2008
2.	30 th July, 2017	Jitendra Masala Bhandar	11, Rangavdhut Shopping Center, Iswarkrupa Main Road, Matawadi, Surat, Gujrat	3 Years Starting from 30 th July, 2017
3.	1 st August, 2017	Anushri Foods	Mr. Sharoop Bej, GF21 Rajshri Arcade, Nr Jodhpur Cross Road, Satellite, Ahmedabad, Gujrat	3 years Starting from 1 st August,2017
4.	1 st August, 2017	I Khodal Enterprise	13 Giriraj Complex, Opp Pancham Mall, Nikol Gam Road, Nikol, Ahmedabad, Gujrat	3 Years Starting from 1 st August, 2017
5.	13 th September, 2017	Hariom Enterprise	Shop no. -38, Someshwara Square, Vesu, Surat, Gujrat	3 years Starting from 13 th September, 2017

6.	14 th September, 2017	N.A.S. Enterprise	Outside Siyani Pole Near Market, Wadhwan, Surendranagar, Gujrat	3 Years Starting from 14 th September, 2017
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3. Launching of new product line
4. Appointment of Master chef winner –Ripu daman

STATEMENT OF FINANCIAL INDEBTEDNESS

Sr. no.	Name of the Bank	Type of Facility	Sanction amount	Amount outstanding as on August 31, 2017	Purpose	Interest Rate	Terms and conditions
1	Punjab National Bank	CC	560.00 Lacs	562.26 Lacs	For Working Capital Purposes	MCLR (1 Year) + 2.40% i.e. 8.45(Presently) + 2.40 = 10.85%	1 Security Primary: Hypothecation of entire current assets including stocks and books and debts of the firm arising out of genuine trade transactions.
							2 Stock Valuation: Hypothecation of goods to be valued at cost price less all rebates, discounts etc. /market value / realizable value, whichever is lower.
							3 Insurance: Comprehensive insurance full value covering the risks of thefts , burglary , SRCC (Strikes , Riots, Civil Commotion) Earthquake , terrorist risks, floods, riots, etc. with Agreed bank clause at borrower's cost. Stock in transits will be insured against all transits risks. The policies /cover notes or duly attested copies thereof will be obtained and placed of the bank.
2	Punjab National Bank	CC	125.00 Lacs	104.21 Lacs	For Working Capital Purposes	BR + 2.65% = i.e. 12.25%	1 Type of Interest: Floating
							2 Repayment Tenor: 84 Months
							3 Number of EMIs: OD Limit to be repaid in 84 monthly by reducing DP, interest and other charges will be recovered as and when levied.
							4 Repayment to be commenced form :

							March,2016
							<p>5 Amount of EMI: DP will be reduce on monthly basis by Rs. 1,48,810/- interest will be served by the party separately levied by the system on monthly basis.</p>
							<p>6. Upfront Fees / Processing Fees: Rs 225/- lacs , plus service tax (However extension of festival bonanza RAD Cir 115/2015 dated 30.12.2015 50% waiver of processing /upfront fees on mortgage loan scheme). Document Fees : 1500/-(Plus Service tax)</p>
							<p>7. Credit Information Report Charges: Rs. 300 for personal CIBIL Report & Rs. 1300/- for firm – (excluding ST) & ITR , CERSAI verification charges etc.</p>
							<p>8. Guarantor (s): 1. Mr. Barkatali Kamruddin Panjwani 2. Mrs. Kulsumben Kamruddin Panjwani 3. Mr. Salimbhai Kamruddin Panjwani</p>
							<p>9. Security: Creation of :- Regd. Mort. Plot no. 5921, R.S No. 287/P & 288/P , GIDC, Sachin, surat.</p>
							<p>10. Prepayment Penalty : 2% of the outstanding balance to be pre-paid , if the loan is shifted to other bank/finance institute.</p>
3	Punjab National Bank	Term loan	34.38 Lacs	24.59 Lacs	To meet Capital Expenditure requirement	MCLR (5 Year) + 2.40% i.e. 8.75(Presently) + 2.40 = 11.15%	<p>1 Security Primary: Block Assets</p> <p>2. Insurance: The borrower shall get the above assets insured against all risk at their own cost with usual bank clause. A copy of the insurance policy will be kept on bank's records also.</p>

4	Punjab National Bank	Term loan	15.77 Lacs	14.41 Lacs	To meet Capital Expenditure requirement	MCLR (5 Year) + 2.40% i.e. 8.75(Presently) + 2.40 = 11.15%	1	Security Primary: Block Assets
							2.	Insurance: The borrower shall get the above assets insured against all risk at their own cost with usual bank clause. A copy of the insurance policy will be kept on bank's records also.

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions, proceedings before any judicial, quasi-judicial, arbitral or administrative tribunals, including pending proceedings for violation of statutory regulations or alleging criminal or economic offences or tax liabilities or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part I of Schedule XIII of the Companies Act) against our Company, Promoter, Group Companies and Directors as of the date of this Prospectus that would have a material adverse effect on our business. There are no defaults, non-payments or overdue of statutory liabilities, institutional/ bank dues and dues payable to holders of debentures or fixed deposits and arrears of cumulative preference shares that would have a material adverse effect on our business.

Except as disclosed below there are no i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years; (ii) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (iii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues by our Company; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company and Subsidiaries including fines imposed or compounding of offences done in those five years; or (vi) material frauds committed against our Company in the last five years.

Except as stated below there are no outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.

*Our Board, in its meeting held on September 17, 2017 determined that outstanding dues to creditors in excess of 5% of consolidated trade payables of our Company as per last audited financial statements shall be considered as material dues (“**Material Dues**”). Our Board, in its meeting held on September 17, 2017 determined that litigations involving the Company/promoters/group companies/subsidiaries other than criminal proceedings, statutory or regulatory actions and taxation matters where a monetary amount of claim by or against the entity or person in any such pending matter(s) is 1% of the net profit after tax or 1% of networth of the Company as per last audited financial statements and such pending cases are material from the perspective of the Company’s business, operations, prospects or reputation, shall be considered as material. Unless otherwise stated to contrary, the information provided is as of date of this Draft Red herring Prospectus.*

PART 1: LITIGATION RELATING TO OUR COMPANY

A. FILED AGAINST OUR COMPANY

1. Litigation Involving Criminal Laws

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities:

The Deputy Director of Income Tax, Investigations, Unit -II, Surat, has issued a notice of summons dated 24th March, 2017 under sub-section (1A) of section 131 of the Income- Tax Act, 1961 to M/s. S Khushaldas and Co. (our Company) in connection with assessment proceedings requiring our Company to attend the office of the ward number 19; house no. 9 & 10 at 1:30 p.m. on 28th March, 2017 to give evidence and/or produce the books of accounts and/ or other documents as per the annexure enclosed thereto, failing which a penalty for a sum of Rs. 10,000/- (Rupees Ten Thousand) for each default or failure shall be imposed on our Company under section 272A (1)(c) of the Income Tax Act, 1961. As per the annexure to the said notice of summons dated March 24, 2017, explanation from our Company has been sought with respect to the cash deposit of Rs. 1,05,39,000 in the accounts of M/s. S. Khushaldas and Co. which allegedly does not match the income profile of our Company as per the information available with the income tax department. On 24th March, 2017, the Company's representative did not attend the said office nor was any further adjournment sought. Accordingly, the Commissioner of Income Tax, Circle -2 (2), Surat has served on M/s. S. Khushaldas and Co. (our Company) a show cause notice dated 5th April, 2017 calling upon our Company to show cause on or before 12th April, 2017 as to why a penalty of an amount of Rs. 10,000/- (Rupees Ten Thousand only) under section 272A(1)(c) of the Income Tax Act 1961 should not be imposed for failure to comply with the notice for summons dated 24th March 2017.

(ii) Indirect Taxes Liabilities

- The Commercial Tax Department, Government of Gujarat has issued a Notice for audit assessment dated July 14, 2017 under Section 34(2)(a) of Gujarat Value Added Tax Act, 2003 (the "Act") requiring our Company to attend at Surat on September 24, 2017 at 11.00 am for giving evidence and/ or production of the books of accounts and all evidence which our Company relies in support of its returns.

In case of a non-compliance, the Commissioner has been granted powers under Section 34(6) of the Act to assess to the best of his judgment the amount of tax due from our Company. Further, any breach of the Rules shall attract a penalty under Rule 10 which may extend to rupees One Thousand only and a fine of rupees Fifty for everyday for which the offence continues in case of continuing offences. Our Company has failed to comply with the terms of notice issued under Section 34(2)(a) of the Act.

Further, if the Commissioner is satisfied that the dealer, in order to evade payment of tax has failed to furnish , without reasonable cause, returns in respect of any period of self-assessment by the prescribed

date; has furnished incomplete or incorrect returns for any period; has availed tax credit for which it is not eligible; has employed such method of accounting which does not enable the Commissioner to assess the tax due from him or has knowingly furnished false or incorrect self-assessment, the Commissioner shall, upon giving an opportunity of being heard, direct payment by way of a penalty a sum equal to twice the amount of tax assessed on account of said reason in audit assessment under Section 34(7) of the Act.

- The Commercial Tax Department, Government of Gujarat has issued a Notice for audit assessment dated July 14, 2017 under Rule 9(4) of Central Sales Tax (Gujarat) Rules, 1970 (the “Rules”) requiring our Company to attend in person or through a legal practitioner at Surat on September 24, 2017 at 11.00 am for giving evidence and/ or production of the books of accounts and all evidence which our Company relies in support of its returns and to showcause as to why an assessment/reassessment of tax and imposition of penalty under Section 9 of the Central Sales Act, 1956 should not be made in respect of the period 01-04-2015 to 31-03-2016.

In case of a non-compliance, any breach of the Rules shall attract a penalty under Rule 10 which may extend to rupees One Thousand only and a fine of rupees Fifty for everyday for which the offence continues in case of continuing offences. Our Company has failed to comply with the terms of notice issued under Rule 9(4) of the Rules.

4. Other Pending Litigations

NIL

B. CASES FILED BY OUR COMPANY

1. Litigation Involving Criminal Laws

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

PART 2: LITIGATION RELATING TO OUR DIRECTORS (OTHER THAN THE PROMOTERS OF THE COMPANY)

A. LITIGATION AGAINST OUR DIRECTORS

1. Litigation Involving Criminal Laws

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

3. Litigation involving Tax Liabilities

NIL

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

B. LITIGATION FILED BY OUR DIRECTORS

1. Litigation Involving Criminal Laws

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

PART 3: LITIGATION RELATING TO OUR PROMOTERS

A. LITIGATION AGAINST OUR PROMOTERS

1. Litigation Involving Criminal Laws

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

B. LITIGATION FILED BY OUR PROMOTERS

1. Litigation Involving Criminal Laws

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

PART 4: LITIGATION RELATING TO OUR GROUP COMPANIES

A. LITIGATION AGAINST OUR GROUP COMPANIES

1. Litigation involving Criminal Laws

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

B. LITIGATION FILED BY OUR GROUP COMPANIES

1. Litigation involving Criminal Laws

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

PART 5: AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS

As of March 31, 2017, our Company has 48 creditors, to whom a total amount of ` 5,69,90,461 was outstanding. As per the requirements of SEBI (ICDR) Regulations, our Company, pursuant to a resolution of our Board dated September 27, 2017, considered creditors to whom the amount due exceeds 5% of the total creditors by our Company for the purpose of identification of material creditors. Based on the above, the following are the material creditors of our Company:

Particulars	(a) Name of Creditor	(b) Amount (₹)
Small Scale and Medium Enterprises	-	-
Other Creditors	AishwaryaVinayak Pack Print	5,21,971
	ComputronixInfotechPvt Ltd.	1,07,175
	Narayan RamdhaniMaurya	5,31,113
	OmprakashChunilal Mali	3,86,264

	Poonam Ads	1,33,401
	Salient Communication (P) Ltd.	5,24,433.1
	SaurabhFlaxipack System (P) Ltd.	2,08,589
	Shiv Polymers	1,80,700
	Ingenius E-Commerce Pvt.Ltd.	10,02,000
	Shree Ganesh Poly Packing	4,07,226
	Asha Trading Co.	4,48,021.00
	Bagrecha Brothers	1,319,000.00
	C GirdharlalGheewala	3,868,234.00
	ChampalalBabulal	4,65,800.00
	Concord Enterprises	1,48,448.00
	Gandhi ThakordasAmthabhai	8,26,200.00
	Gautam Traders	12,50,251.00
	Hari Om Papad	23,32,685.00
	J.Ketankumar Co.	2,39,190.00
	Janta Rice Mill	30,88,810.00
	JitendraMahendra Jain	7,81,413.00
	M/S. Rajit Exports	9,81,850.00
	Maganur& Company	20,87,400.00
	Manish Flour Mills Pvt.Ltd.	1,63,592.00
	MeritoTaders	24,60,730.00
	P.Jaspal& Co.	9,98,558.00
	Paras Arts	1,09,200.00
	Patel Food Products	1,37,000.00
	Radha V Company	8,94,950.00
	Rajwadi Dairy Product	25,75,733.00
	Regency Spices Llp	5,77,126.00
	Repute Foods Pvt.Ltd.	1,15,81,290.00
	Ronak Sales Corporation	5,31,285.00
	SaiGruhUdhyog	5,68,155.00
	Sardar Cashew Industry	7,62,073.00
	Sdp Industries Pvt.Ltd.	30,39,770.00
	Shree Veer Milk Products	2,61,353.00
	Shyam Food Products	22,34,951.00
	Sona Industries.	12,05,518.00
	SreeRamachandra Cashews	8,84,544.00
	Star White Salt Suppliers	1,24,500.00
	SumanGruhUdhyog	9,37,554.00
	V.M.R.Spice Products	3,95,640.00
	V.M.Spice Company Private Limited	14,50,000.00
	VimalTradeers	4,85,175.00
	R.K.Traders	16,10,350.00
	Vagas Products	9,08,400.00
	Shree Balbir Food Products Private Limited	2,52,840.00

Further, none of our creditors have been identified as micro enterprises and small scale undertakings by our Company based on the available information. For complete details about the outstanding dues to creditors of our Company, please visit our Company's website www.skmasala.com

Information provided on the website of our Company is not part of this Draft Red herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company’s website, www.skmasala.com, would be doing so at their own risk.

PART 6: MATERIAL DEVELOPMENTS OCCURING AFTER LAST BALANCE SHEET DATE

Except as mentioned under the chapter “Management Discussion and Analysis of Financial Conditions and Results of Operation” on page 160 of this Draft Red Herring Prospectus, there have been no material developments, since the date of the last audited balance sheet.

1. The company has converted the unsecured loan into the equity shares of the company in vide resolution passed in the board meeting dated September 01, 2017 and in the general meeting dated September 27, 2017 and September 28, 2017.
2. Franchisee agreement

Sr. No.	Date	Name of the Franchisee	Address	Period
1.	30 th September,2008	Chintav Enterprise	Shop no. G-14, Shree Morarji Desai Complex, Opp. Millennium Mall, Station Road, Bardoli, Gujrat	5 years Starting From 30 th September,2008
2.	30 th July, 2017	Jitendra Masala Bhandar	11, Rangavdhut Shopping Center, Iswarkrupa Main Road, Matawadi, Surat, Gujrat	3 Years Starting from 30 th July, 2017
3.	1 st August, 2017	Anushri Foods	Mr. Sharoop Bej, GF21 Rajshri Arcade, Nr Jodhpur Cross Road, Satellite, Ahmedabad, Gujrat	3 years Starting from 1 st August,2017
4.	1 st August, 2017	I Khodal Enterprise	13 Giriraj Complex, Opp Pancham Mall, Nikol Gam Road, Nikol, Ahmedabad, Gujrat	3 Years Starting from 1 st August, 2017
5.	13 th September, 2017	Hariom Enterprise	Shop no. -38, Someshwara Square, Vesu, Surat, Gujrat	3 years Starting from 13 th September, 2017
6.	14 th September, 2017	N.A.S. Enterprise	Outside Siyani Pole Near Market, Wadhwan, Surendranagar, Gujrat	3 Years Starting from 14 th September, 2017

3. Launching of new product line
4. Appointment of Master chef winner –Ripu daman

GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary consents, licenses, registrations, permissions and approvals from the Government of India and various governmental agencies required to undertake this Issue and carrying on our present business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals and licenses are valid as of the date of this Draft Red Herring Prospectus and in case of licenses and approvals which have expired; we have either made application for renewal or are in the process of making an application for renewal. In order to operate our business, we require various approvals and/or licenses under various laws, rules and regulations.

Our Company was recently incorporated (on March 03, 2017) upon conversion from a Partnership Firm and hence most of the consents, approval, licenses, registrations, permissions are in the name of partnership firm (*Kindly refer 'General Information' on page no. 40*). Our Company is in the process of intimating/informing the Government Agencies/Regulatory Authorities about the change of constitution of business organisation from Partnership Firm to Company and obtaining fresh/revised approvals, licenses, registrations, permissions, wherever applicable.

The Main objects clause of the Memorandum of Association and objects incidental to the Main objects enable our Company to undertake its existing business activities.

I. Approvals for the Issue

1. Our Board has, pursuant to a resolution passed at its meeting held on September 01, 2017 authorized the Issue.
2. Our shareholders have pursuant to a resolution passed at their meeting dated September 27, 2017 under Section 62 of the Companies Act, 2013 authorised the Issue.
3. Our Company has obtained in-principle approval from SME platform of BSE by way of a letter dated [●] to use the name of the Stock Exchange in this Draft Red Herring Prospectus for listing of Equity Shares on the Stock Exchange.
4. The Company has entered into an Agreement dated [●] with the Central Depository Services (India) Limited ('CDSL') and Registrar and Transfer Agent, who in this case is [●] for the dematerialization of its shares.
5. Similarly, the Company has also entered into an Agreement dated [●] with the National Securities Depository Limited ('NSDL') and Registrar and Transfer Agent, who in this case is [●] for the dematerialization of its shares.
6. The Company's International Securities Identification Number is [●]

II. Approvals obtained by our Company

Business Approvals:

No	Nature of License / Approval	Issuing Authority	Registration/ License No.	Date of granting License/ Approval	Validity
<i>Statutory approvals obtained by our Company</i>					
1.	Certificate of Incorporation	The Registrar of Companies, Central Registration Centre	U15549GJ2017PLC 096061	March 03, 2017	-

No	Nature of License Approval	Issuing Authority	Registration/ License No.	Date of granting License/ Approval	Validity
2.	Permanent Account Number (PAN)	Income Tax Department	AAYCS5136N	May 03,2017	-
3.	Tax Deduction Account Number (TAN)	Income Tax Department	SRTS18399D	April 27, 2017	-
4.	Certificate of Importer-Exporter Code (IEC)	Joint Director General of Foreign Trade, Surat, Ministry of Commerce and Industry	5217513497	June 15, 2017	-
5.	Manufacture/Re-pack/Re-label of Masala, Dry Fruits, Pickle etc.	Foods and Drug Control Administration, Gujarat State/ Gujarat Municipal Corporation	10716022000071	March 18, 2016	March 17, 2021
			10712021000033	April 1, 2016	March 31, 2021
			10712021000122	April 1, 2016	March 31, 2021
6.	Certificate of Registration under Gujarat Sales Tax	Sales Tax Department, Gujarat	24221300064	December 31, 2005	-
7.	Certificate under Bombay Shops and Establishments Act, 1948	Surat Mahanagar Sevasadan	CZ/S/10/4717	August 27, 2002	December 31, 2019
			CZ/S/9/704	March 16, 1970	December 31, 2019
			SWZ/S/MAJURA/1227	January 06, 1994	December 31, 2019
8.	Registration certificate under Rule 35 of Standards of Weights and Measures (Packaged Commodities) Rules, 1997	Food, Civil Supply and Consumer Matter Department.	GUJ/443/18-2-011	February 18, 2011	
9.	Certificate of Registration under Gujarat VAT Act, 2002	Commercial Tax Department, Government of Gujarat	24221300064	July 01, 2002	-
10.	Udyog Aadhar Number	Ministry of Micro, Small and Medium Enterprises	GJ22B0139049	March 03, 2017	-
11.	Food Facility Registration No	Food and Drug Administration, USA	10523068996	June 29, 2017	

Certificates/Memberships:

No.	Issuing Authority	Nature of License / Approval	Registration/ License No.	Date of granting License/ Approval	Validity
1.	British Certifications Inc.	Certificate of Registration ISO 22000:2005 For Manufacturing of Spices, Flours, Ready To Cook Foods, Ready To Eat Foods, Instant Mix and Supply of Dry Fruits, Pickles, Papad, Ghee, Rice, Tea, Grocery and Khakra.	16860	March 11, 2017	March 13, 2018
2.	British Certifications Inc.	Certificate of Registration HACCP IS 15000:1998 For Manufacturing of Spices, Flours, Ready To Cook Foods, Ready To Eat Foods, Instant Mix and Supply of Dry Fruits, Pickles, Papad, Ghee, Rice, Tea, Grocery and Khakra.	U/1843	March 14, 2017	March 10, 2020 Subject to periodical surveillances scheduled on March 10, 2018 and March 10, 2019

III. Approvals obtained in relation to Intellectual property rights

Trademark

Sr. No.	Trademark image	Registration/ No	Class	Registration/ Application Date	Status
1		2236432	32	November 19, 2011	Valid for 10 years upto November 18, 2021

2		1126062	29	August 13, 2002	Valid for 10 years upto August 12, 2022.
3		1126063	30	August 13, 2002	Valid for 10 years upto August 12, 2022.
4		2734912	35	September 06, 2017	Valid for 10 years upto September 05, 2027
5		2734914	Registration of trademark	May 09, 2014	Valid for 10 years from May 09, 2014
6		1604253	For renewal of trademark	September 21, 2017	Valid for 10 years from September 21, 2017

Copyright

Sr. No.	Copyright image	Registration No.	Class	Registration/Application Date
1		A-67594/2004	Artistic Work	June 09, 2004
2		A-114294/2015	Artistic Work	October 30, 2015

IV. Other Approvals
Domain Name details-

S. No.	Domain Name and ID	Sponsoring Registrar and Registrant ID	Creation Date	Registration Expiry Date
1.	www.skmasala.com	whois.PublicDomainRegistry.com and 106460759_DOMAIN_COM-VRSN	2003-11-11T14:31:58Z	2019-11-11T14:31:58Z

V. Approvals applied for but not issued

Business Approvals-

Sr. No	Issuing Authority	Nature of License	Date of application
1	Assistant Director/Director, Directorate Industrial Safety and Health,	License to work as Factory (Under the provisions of the Factories Act, 1948 read with Rule 5 of The Gujarat Factories Rule, 1963)*	September 19, 2017
2	Central Board of Excise and Customs	Goods and Service Tax Registration [Provisional ID- 24AAYCS5136N1ZK]	June 14, 2017

Intellectual Property Rights-

Sr. No	Image	Application No	Nature of application	Class	Date of application
1		2734910	Registration of trademark	31- Edible Lime, edible catechu, betal spices, scented and sweet supari, mouth freshners, sounff and danadal, pan leaves and goods made from these materials, etc	May 09, 2014
2		2734911	Registration of trademark	32- Water including packaged drinking water, mineral and aerated water; other non alcoholic drinks, fruit drink and juice, syrup and other preparations for making beverages.	May 09, 2014

3		2734913	Registration of trademark	29- Dryfruits and goods made from those materials	May 09, 2014
4		1604253	For renewal of trademark	30- Instant mix powder	September 21, 2007
5		2734915	Registration of trademark	35- Services provider, distributor, manufacturer and merchant	May 09, 2014
6		2734916	Registration of trademark	31- Manufacturer and merchant	May 09, 2014

VI. Approvals to be applied for

Sr. No	Issuing Authority	Nature of License
1	Employees State Insurance Corporation	Registration for Employees State Insurance (under Employees State Insurance Act, 1948)
2	Contract Labour Registration	Registration under Contract Labour Act, 1970

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer in terms of this Draft Red Herring Prospectus has been authorized pursuant to the resolution passed by the Board of Directors dated September 01, 2017 and by the shareholders pursuant to the special resolution passed in Annual General Meeting dated September 27, 2017 under Section 62(1)(c) of the Companies Act, 2013.

Our Company has obtained in-principle approval from the [●] for using its name in the Draft Red Herring Prospectus pursuant to an approval letter dated [●], **BSE SME** is the Designated Stock Exchange.

Prohibition by SEBI or other governmental authorities

We confirm that our Company, our Promoters, natural person in control of Promoter, Promoter Group, our Directors or the person(s) in control of our Company have not been prohibited from accessing the capital market for any reason or restrained from buying, selling or dealing in securities, under any order or directions by the SEBI or any other regulatory or government authorities.

There are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which any of our Company, our Promoter, Directors, persons in control of our Company or any natural person behind the Promoter are or were associated as a promoter, director or person in control, been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

None of our Directors are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoters or director

Prohibition by RBI

Neither our Company, nor our Promoters, our Directors, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a wilful defaulter by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided under section titled "Outstanding Litigations and Material Developments" beginning on page 181 of the Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is not ineligible in terms of Regulations 4(2) of SEBI ICDR Regulations for this Offer.

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations; and this Offer is an "Initial Public Offer" in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Offer in accordance with Regulation 106(M) (1) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post Offer paid up capital will be more than `Rs. 10 crore but less than Rs. 25 crore', and we may hence, Offer Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the "SME Platform of **BSE Ltd** ").

We confirm that:

In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this Offer is 100% underwritten and that the Book Running Lead Manager to the Offer shall underwrite minimum 15% of the Total Offer Size. For further details pertaining to said underwriting please refer to section titled "General Information – Underwriting" beginning on page 40 of the Draft Red Herring Prospectus.

In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Offer shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act, 2013.

In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed this Offer document with SEBI nor has SEBI issued any observations on our Draft Red Herring Prospectus. Also, we shall ensure that our Book Running Lead Manager submits a copy of the Draft Red Herring Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Draft Red Herring Prospectus with Stock Exchange and the Registrar of Companies.

In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement with the Book Running Lead Manager and a Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of BSE. For further details of the arrangement of market making please refer to section titled "General Information – Details of the Market Making Arrangements for this Offer" beginning on page 40 of the Draft Red Herring Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an Offer under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Offer.

Our Company has Net Tangible Assets of at least ` 5.36 Crore as per the latest audited financial results (as restated).

As on **March 31, 2017**, the Company has Net Tangible Assets* of ` **5.36 crore** which satisfies the criteria of having Net Tangible Assets of at least Rs. 1.00 Crore.

*Net tangible assets are defined as the sum of all net assets of the Company, excluding intangible assets and Net Deferred Tax as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India

2. The Net worth (excluding revaluation reserves) of the Company is at least Rs. 5.36 Crore as per the latest audited financial results (as restated)

As on **March 31 2017**, the Company has Net Worth attributable to equity shareholders of ` **5.36 cr.** as per the restated financial results

*Net worth includes Equity Share Capital and Reserves (excluding revaluation reserves, Miscellaneous Expenditure not written off, if any & Debit Balance of Profit and Loss Account not written off, if any)

The Company's distributable profits in terms of sec. 123 of Companies Act, 2013 (as restated) in last three financial years are detailed below:

(Amount in Lakh)

Particulars	For F.Y. 2016-17	For F.Y. 2015-16	For F.Y. 2014-15
Net Profit (as restated)	139.28	37.23	19.71

Our Company shall mandatorily facilitate trading in demat securities and will enter into an agreement with both the depositories. The Company has entered into an agreement for registration with the Central Depository Services Limited (CDSL) dated [●] and National Securities Depository Limited dated [●] for establishing connectivity.

Our Company has a website i.e. <http://www.skmasala.com>

Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.

No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the applicant company.

There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to BSE for listing on SME segment.

We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the SME Platform of the **BSE Ltd.**

Compliance with Part A of Schedule VIII of the SEBI (ICDR) Regulations

Our Company is in compliance with the provisions specified in Part A of the SEBI (ICDR) Regulations. No exemption from eligibility norms has been sought under Regulation 113 of the SEBI (ICDR) Regulations, with respect to the Offer. Further, our Company has been formed by the conversion of a partnership firm into a company.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)/ STOCK EXCHANGE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI/ STOCK EXCHANGE. SEBI/ STOCK EXCHANGE 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 BOOK RUNNING LEAD MANAGER, GERTEX CORPORATE SERVICES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (OFFER OF CAPITAL AND DISCLOSURE REQUIREMENTS)

REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER, GERTEX CORPORATE SERVICES IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 29, 2017 WHICH READS AS FOLLOWS:

WE, THE UNDER NOTED BOOK RUNNING LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING OFFER STATE AND CONFIRM AS FOLLOWS:

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 DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID OFFER

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:

THE DRAFT RED HERRING PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;

ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

THE DISCLOSURES MADE IN THE DRAFT RED HERRING 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 AND EXCHANGE BOARD OF INDIA (OFFER OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.

WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.

WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (OFFER OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.

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 OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

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 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 EXCHANGE MENTIONED IN THE DRAFT RED HERRING PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE

WE CERTIFY ALL THE SHARES SHALL BE OFFERED IN DEMATERIALIZED FORM IN COMPLIANCE WITH THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013 AND THE DEPOSITORIES ACT, 1996 AND THE REGULATIONS MADE THEREUNDER.

WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (OFFER 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.

WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:

AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND

AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (OFFER OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE OFFER.

WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.

WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (OFFER OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MANAGER BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS OFFER)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR NO. CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2015.

WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS-TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD-18 IN THE FINANCIAL INFORMATION OF THE COMPANY INCLUDED IN THE DRAFT RED HERRING PROSPECTUS.

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MANAGER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE

WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.

WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN DRAFT RED HERRING 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 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.

WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (OFFER OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009.

WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.

WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (OFFER OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE DRAFT RED HERRING PROSPECTUS. - NOT APPLICABLE

WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (OFFER OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.

Note:

The filing of the Draft Red Herring 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 Offer. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Manager any irregularities or lapses in the Draft Red Herring Prospectus.

All legal requirements pertaining to the Offer will be complied with at the time of registration of the Draft Red Herring Prospectus with the Registrar of Companies, Maharashtra, Mumbai in terms of sections 26, 32 and 33 of the Companies Act, 2013.

Statement on Price Information of Past Issues handled by Gretex Corporate Services Private Limited:

Statement on Price Information of Past Issues handled by Gretex Corporate Services Private Limited:

Sr. No.	Issuer Name	Issue Size (Cr)	Issue Price (in rs.)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in Closing benchmark] 30th calendar days from listing	+/- % change In closing price, [+/- change in closing benchmark] 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Veeram Ornaments Limited	5.12	45	05-01-2017	42.75	0.87,[5.19] ¹	-2.17,[11.52] ²	-1.96,[16.56] ³
2	Jash Dealmark Limited	5.4	40	27-03-2017	39.8	-9.59,[2.76] ⁴	2.50,[6.68] ⁵	-3.02, [9.34] ⁹
3	Yug Décor Limited	2.88	26	31-05-2017	27	3.07,[-1.37] ⁶	20.69,[0.81] ⁷	N.A
4	Riddhi Corporate Services Ltd	12.35	130	22-06-2017	130	0.07,[1.77] ⁸	18.10, [3.61]	N.A

5	Dhruv Wellness Liited	5.55 68	20	12- 09- 2017	19.6	NA	NA	NA
6	A&M Febcon limited	6.68 16	18	42992	18	NA	NA	NA
7	Sagar Diamonds Limited	15.2 145	45	43004	45	NA	NA	NA

- 30th calendar date is February 04, 2017 but the last trading day is February 03, 2017 for calculation of both benchmark and share price and changes.
- 90th calendar date is April 05, 2017 but the last trading day for share is March 24, 2017 for calculation of share price.
- 180th calendar date is July 04, 2017 but the last trading day for share is June 30, 2017 for calculation of share price.
- 30th calendar date is April 26, 2017 but the last trading day for share is April 25, 2017 for calculation of share price.
- 90th calendar date is June 25, 2017 but the last trading day for share is June 22, 2017 for calculation of share price and for calculating change in the benchmark June 23, 2017 instead of June 25, 2017 .
- 30th calendar date is June 30, 2017 but the last trading day is June 29, 2017 for calculation of both benchmark and share price and changes.
- 90th calendar date is August 29, 2017 but the last trading day is August 24, 2017 for calculation of both benchmark and share price and changes.
- 30th calendar date is July 22, 2017 but the last trading day is July 21, 2017 for calculation of both benchmark and share price and changes.
- 180th calendar date is September 23, 2017 but the last trading day for share is September 21, 2017 for calculation of share price and for calculating change in the benchmark September 22, 2017 instead of September 23, 2017 .

Summary statement of Disclosure:

Financial Year	Total no. of IPOs	Total Funds Raised(₹ n Cr.)	Nos. of IPOs trading at discount - 30th calendar day from listing day			Nos. of IPOs trading at premium - 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016-17 @	2	10.52	N.A	N.A	1	N.A	N.A	1
2017-18\$	5	42.6829	N.A	N.A	NA	N.A	N.A	2

\$ Upto 29th September, 2017 Dhruv Wellness Limited, A&M febcon Limited and Sagar Diamonds Limited has not completed 30 days till date.

Note:

Based on date of listing.

BSE SENSEX and CNX NIFTY has been considered as the benchmark index.

Prices on BSE/NSE are considered for all of the above calculations.

In case 30th /90th /180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.

In case 30th /90th /180th day, scrips are not traded then last trading price has been considered.

N.A. – Period not completed.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the Book Running Lead Manager. Hence, disclosures pertaining to recent 10 issues handled by Book Running Lead Manager are provided.

Track Record of past issues handled by Gretex Corporate Services Private Limited

For details regarding track record of the Book Running Lead Manager to the Offer as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the Book Running Lead Manager at: www.gretexgroup.com

Disclaimer from our Company and the Book Running Lead Manager

Our Company and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in the Draft Red Herring Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the MOU/ Issue Agreement entered between the Book Running Lead Manager and our Company on September 27, 2017 and the Underwriting Agreement dated September 27, 2017 entered into between the Underwriters and our Company and the Market Making Agreement dated September 27, 2017 entered into among the Market Maker and our Company.

All information shall be made available by our Company and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

Caution

Investors who apply in the Offer will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not Offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Offer.

Disclaimer in Respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of Rs. 2,500.00 Lakhs and pension funds with a minimum corpus of Rs. 2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. The Draft Red Herring Prospectus does not, however, constitute an Offer to sell or an invitation to subscribe for Equity Shares Issued 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 the Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Offer will be subject to jurisdiction of the competent court(s) in Surat, Gujarat only.

No action has been, or will be, taken to permit a public Issuing in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be Issued or sold, directly or indirectly, and the Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause of the SME Platform of BSE.

As required, a copy of this Offer Document has been submitted to BSE Limited (hereinafter referred to as BSE). BSE has given vide its letter [●] dated [●] permission to the Issuer to use the Exchange's name in this Offer Document on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized draft Offer Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by BSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoter, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

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 Issued or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be Issued and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those Issues 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 Issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Filing

The Draft Red Herring Prospectus is being filed with BSE Limited.

A copy of the Draft Red Herring Prospectus shall not be filed with the SEBI, nor will SEBI Offer any observation on the Draft Red Herring Prospectus in term of Regulation 106(M) (3) of the SEBI (ICDR) Regulations. However, a copy of the Prospectus shall be filed with SEBI at the Securities and Exchange Board of India, Corporation Finance Department, SEBI Bhavan, Plot No. C4-A, G Block, 3rd Floor, Bandra Kurla Complex, Bandra (E), Mumbai-400 051, India for their record purpose only.

A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, Ahmedabad, ROC Bhavan ,Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat

Listing

The Equity Shares of our Company are proposed to be listed onBSE SME. Our Company has obtained in-principle approval from BSE by way of its letter dated [●] for listing of equity shares on BSE SME.

BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer. 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 and the Selling Shareholders shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Draft Red Herring Prospectus. If such money is not repaid within eight (8) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) days, be liable to repay such application money, with interest at the rate as prescribed under 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 Six (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-

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 to action under section 447 of the Companies, Act 2013

Consents

Consents in writing of (a) Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Key Managerial Personnel, Our Peer Review Auditor, Our Banker(s) to the Company; (b) Book Running Lead Manager, Registrar to the Offer, Banker(s) to the Offer, Legal Advisor to the Offer, Underwriter(s) to the Offer and Market Maker to the Offer to act in their respective capacities shall be obtained as required as required under section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Draft Red Herring Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, **D.M. Gheewala & Co** , Chartered Accountants, Statutory Auditors of the Company have agreed to provide their written consent to the inclusion of their respective reports on “Statement of Tax Benefits” relating to the possible tax benefits and restated financial statements as included in the Draft Red Herring Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Draft Red Herring Prospectus.

Experts Opinion

Except for the reports in the section “Financial information of the Company” and “Statement of Tax Benefits” on page 133 and page 72 of the Draft Red Herring Prospectus from the Peer Review Auditors and Statutory Auditor respectively, our Company has not obtained any expert opinions. For the sake of clarity, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

Expenses of the Offer

The Estimated Offer expenses are as under:-

Activity	Expenses (Rs in Lakhs)	% of Total Estimated Offer Expenditure	% of Offer Size
Payment to the Book Running Lead Manager including, Underwriting and Selling commissions, Brokerages, payment to other intermediaries such as Legal Advisors, Registrars, Bankers etc and other Out of Pocket Expenses	[•]	[•]	[•]

Printing and Stationery and Postage Expenses	[•]	[•]	[•]
Advertising and Marketing Expenses			
Regulatory Fee and Expenses			
Total	[•]	[•]	[•]

Fees, Brokerage and Selling Commission payable to the Book Running Lead Manager

The total fees payable to the Book Running Lead Manager will be as per the (i) Issue Agreement dated September 27,2017 with the Book Running Lead Manager, Gretex Corporate Services Private Limited, (ii) the Underwriting Agreement dated September 27,2017 with Underwriter Gretex Corporate Services Private Limited and (iii) the Market Making Agreement dated September 27,2017 with Market Maker GRETEX SHAREBROKING PRIVATE LIMITED, a copy of which is available for inspection at our Registered Office from 10.00 am to 5.00 pm on all Working Days from the date of the Draft Red Herring Prospectus until the Offer Closing Date.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer for processing of applications, data entry, printing of refund orders, preparation of refund data on magnetic tape and printing of bulk mailing register will be as per the agreement between our Company and the Registrar to the Offer dated August 19, 2017 a copy of which is available for inspection at our Company's 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 to the Registrar to the Offer to enable it to make refunds in any of the modes described in the Draft Red Herring Prospectus or send allotment advice by registered post/speed post.

Particulars regarding Public or Rights Issues during the last five (5) years

Our Company has not made any previous public or rights Offer in India or Abroad the five (5) years preceding the date of the Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

For detailed description please refer to section titled "Capital Structure" beginning on page 50 of the Draft Red Herring Prospectus.

Underwriting Commission, brokerage and selling commission on Previous Issues

Since this is the Initial Public Offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

Particulars in regard to our Company and other listed group-companies / subsidiaries/ associates under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 which made any capital Offer during the last three years:

Neither our Company nor any other companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 has made/Section 186 of the Companies Act, 2013, have made any public Offer or rights Offer during the last three years.

Performance vis-a-vis objects – Public/right Offer of our Company and /or listed Group Companies/ subsidiaries and associates of our Company

Except as stated under section titled "Capital Structure" beginning on page 50 of the Draft Red Herring Prospectus our Company has not undertaken any previous public or rights Offer. None of the Group Companies/ Entities or associates of our Company are listed on any stock exchange.

Performance vis-a-vis objects - Last Offer of Group/Associate Companies

All of our Group / Associate are unlisted and have not made a public Offer of shares in the last ten (10) years preceding the date of the Draft Red Herring Prospectus.

Outstanding Debentures or Bond Issues or Redeemable Preference Shares

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing the Draft Red Herring Prospectus.

Outstanding Convertible Instruments

Our Company does not have any outstanding convertible instruments as on the date of filing the Draft Prospectus.

Option to Subscribe

Equity Shares being Offered through the Draft Red Herring Prospectus can be applied for in dematerialized form only.

Stock Market Data of the Equity Shares

This being a public Offer of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

Mechanism for Redressal of Investor Grievances

The Agreement amongst the Registrar to the Offer, our Company provides for retention of records with the Registrar to the Offer for a period of at least three (3) year from the last date of dispatch of the letters of allotment, or demat credit or where refunds are being made electronically, giving of unblocking instructions to the clearing system, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances relating to the Offer may be addressed to the Registrar to the Offer, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the relevant Designated Branch or the collection centre of the SCSBs where the Application Form was submitted by the ASBA Applicants.

The Applicant should give full details such as name of the sole/ 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.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Ms Nanda Mundra, as the Compliance Officer to redress complaints, if any, of the investors participating in the Offer. Contact details for our Company Secretary and Compliance Officer are as follows:

Ms. Nanda Mundra
S.K. Masala and Foods Limited
Tel. No: 0261-6512511
Facsimile: N.A
E-mail: info@skmasala.com
Website: <http://www.skmasala.com>

Investors can contact the Compliance Officer or the Registrar in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in

Status of Investor Complaints

We confirm that we have not received any investor complaint during the three years preceding the date of the Draft Red Herring Prospectus and hence there are no pending investor complaints as on the date of the Draft Red Herring Prospectus.

Disposal of investor grievances by listed companies under the same management as our Company

We do not have any listed company under the same management.

Change in Auditors during the last three (3) years

Except for appointment of D. V. Barfiwala & Co., Chartered Accountants, as peer review auditor in addition to the existing auditors, there have been no changes in our Company's auditors in the last three (3) years

Capitalization of Reserves or Profits

Except as disclosed under section titled "Capital Structure" beginning on page 50 of the Draft Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

Revaluation of Assets

Our Company has not revalued its assets in five (5) years preceding the date of the Draft Red Herring Prospectus.

Tax Implications

Investors who are allotted Equity Shares in the Offer will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled "Statement of Tax Benefits" beginning on page 72 of the Draft Red Herring Prospectus.

Purchase of Property

Other than as disclosed under section titled "Our Business" beginning on page 92 of this Draft Red Herring Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Offer or the purchase or acquisition of which has not been completed on the date of the Draft Red Herring Prospectus, other than property, in respect of which:-

The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Offer, or that the Offer was contemplated in consequence of the contract; or the amount of the purchase money is not material.

Except as stated elsewhere in the Draft Red Herring Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.

Servicing Behaviour

Except as stated in the Draft Red Herring Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

Payment or benefit to officers of Our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed under sections titled "Our Management" and "Related Party Transactions" beginning on pages 115 and 131 respectively of the Draft Red Herring Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act 2013, SEBI (ICDR) Regulations, SCRR, SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of this Draft Red Herring Prospectus, the Abridged Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the Issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, the FIPB, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that in terms of SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying to this Issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.

Authority for the Issue

The present Issue of 35,07,000 Equity Shares has been authorized by a resolution of the Board of Directors of our Company at their meeting held on September 01, 2017 and was approved by the Shareholders of the Company by passing Special Resolution at the Annual General Meeting held on September 27, 2017.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to “Main Provisions of the Articles of Association” beginning on page 275 of this Draft Red Herring Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provisions of the SEBI Listing Regulations and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to the chapter titled “Dividend Policy” beginning on 132 of this Draft Red Herring Prospectus.

Face Value and Issue Price

The Equity Shares having a Face Value of Rs.10.00 each are being issued in terms of this Draft Red Herring Prospectus at the price of Rs. [●] per equity Share (including premium of Rs [●] per equity share). The Issue Price is determined by our Company in consultation with the Book Running Lead Manager and is justified under the section titled “Basis for Issue Price” on page 69 of this Draft Red Herring Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Compliance with SEBI (ICDR) Regulations

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

1. Right to receive dividend, if declared;
2. Right to receive Annual Reports & notices to members;
3. Right to attend general meetings and exercise voting rights, unless prohibited by law;
4. Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
5. Right to receive offer for rights shares and be allotted bonus shares, if announced;
6. Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
7. Right of free transferability of the Equity Shares; subject to applicable laws including any RBI Rules and Regulations; and
8. Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI Listing Regulations and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, please refer to Section titled “Main Provisions of Articles of Association” beginning on page 275 of this Draft Red Herring Prospectus.

Minimum Application Value, Market Lot and Trading Lot

As per ICDR Regulations and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being issued can be applied for in the dematerialized form only.

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the SME Platform of BSE Ltd from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this offer document will be done in multiples of [●] Equity Share subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Further, in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Minimum Number of Allottees

The minimum number of allottees in the Issue shall be 50 shareholders. In case the number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in this Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

ISSUE PROGRAMME

Event	Indicative Date
ISSUE OPENING DATE	[●]
ISSUE CLOSING DATE	[●]

Minimum Subscription

In accordance with Regulation [106P] (1) of SEBI ICDR Regulations, this Issue is 100% underwritten. Also, in accordance with explanation to Regulation [106P] (1) of SEBI ICDR Regulations, the underwriting shall not be restricted to any minimum subscription level. This Issue is 100% underwritten and the details of the same have been disclosed under section titled “General Information” on page 40 of this Draft Red Herring Prospectus.

As per section 39 of the new Companies Act, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of Issue of Prospectus, the application money has to be returned within such period as may be prescribed.

If our Company does not receive the subscription of 100% of this Issue through this Offer Document including devolvement of Underwriters within 60 (sixty) days from the date of closure of this Issue, our Company shall forthwith unblocked the entire subscription amount received. If there is a delay beyond 8 (eight) days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under section 73 of the Companies Act, 2013 and applicable law.

Further, in accordance with Regulation [106R] of SEBI ICDR Regulations, the minimum number of allottees in this Issue shall be fifty (50). In case the minimum number of prospective allottees is less than fifty (50), no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

Further, in accordance with Regulation [106Q] of the SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

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

Arrangements for disposal of odd lots

The trading of the Equity Shares will happen in the minimum contract size of [●] equity shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in 1 (one) lot, where value of such shareholding is less than the minimum contract size allowed for trading on SME platform of BSE Ltd.

Application by Eligible NRIs, FPIs/FIIs or VCFs registered with SEBI

It is to be understood that there is no reservation for Eligible NRIs, FPIs/FIIs or VCF registered with SEBI. Such Eligible NRIs, FPIs/FIIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

As per the extant policy of the Government of India, OCBs cannot participate in this Issue.

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Issue without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment ("*FDI*") Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital

investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting

Except for lock-in of the Pre- issue Equity Shares and Promoter minimum contribution in the Issue as detailed in the section titled "Capital Structure" beginning on page 50 of the Draft Red Herring Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details please refer sub-heading "Main Provisions of the Articles of Association" on page 275 of the Draft Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager s do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

Option to receive Equity Shares in Dematerialized Form

As per Section 29(1) of the Companies Act, 2013 and in accordance with SEBI ICDR Regulations, every company making public offer shall issue securities only in dematerialized form only. Hence, the Equity Shares being offered can be applied for in the dematerialized form only. The investors have an option either to receive the security certificate or to hold the securities with depository. However, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in dematerialized form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Exchange. Applicants will not have an option of Allotment of the Equity Shares in physical form. Allottees shall have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act.

Migration to Main Board

In accordance with the 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 BSEs 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 our 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 our 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 fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board

OR

- If the Paid-Up Capital of our Company is more than Rs.10.00 Crore and up to Rs. 25.00 Crore, our company may still apply for migration to the Main Board If our Company fulfils the eligibility criteria for listing laid down by the Main Board of BSE and 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 Equity Shares offered through this Issue are proposed to be listed on the SME Platform of BSE, wherein the Book Running Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME Platform of BSE. For further details of the agreement entered into between our Company, the Book Running Lead Manager and the Market Maker please refer to section titled "General Information - Details of the Market Making Arrangements for this Issue" beginning on page 40 of this Draft Red Herring Prospectus.

In accordance with the SEBI Circular No.CIR/MRD/DSA/31/2012 dated November 27, 2012, it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of Issue size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of Issue size)
Upto 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%

Further, the Market Maker shall give (2) Two way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two (2) way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Issue.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, Maharashtra, India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States to, or for the account or benefit of “U.S. persons” (as defined in Regulation S), except pursuant to an exemption from or in a transaction not subject to, registration requirements of the U.S.

Securities Act and applicable U.S. state Securities laws. 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

The Public Issue of 35,07,000 Equity Shares of Rs. 10/- each for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per Equity Share) aggregating to Rs. [●] (the “Issue”) by our Company of which 1,77,000 Equity Shares of Rs. 10 each will be reserved for subscription by Market Makers to the Issue (“Market Maker Reservation Portion”) the Issue less the Market Maker Reservation Portion i.e. Issue of 33,30,000 Equity Shares of Rs. 10 each is hereinafter referred to as the “Net Issue”. This Issue and the Net Issue will constitute 40.27% and 38.24% respectively of the post issue paid up Equity Share capital of the Company.

This Issue is made through the Book Building Process.

Particulars	Net Issue to Public	Market Maker Reservation Portion
Number of Equity Shares*	Upto 33,30,000 Equity Shares.	1,77,000 Equity Shares
Percentage of the Issue Size available for allocation	40.28% of the Issue	5.05% of the Issue
Basis of Allocation, if respective category is oversubscribed	Proportionate, subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares each. For further details refer page 39 of the Draft Red Herring Prospectus.	Firm Allotment
Mode of Application	Through ASBA Process only	
Mode of Allotment	Compulsorily in dematerialized form	
Minimum Application	<p><u>For Other than Retail Individual Investors:-</u> 1,77,000 equity shares</p> <p>Such nos. of Equity Shares in multiples of [●] Equity Shares at an Issue Price of [●] such that the application value exceeds Rs. 2 Lakh</p> <p><u>For Retail Investors:-</u></p> <p>Such nos. of Equity Shares in multiples of [●] Equity Shares at an Issue Price of [●] such that the application value doesn't exceeds ` 2 Lakh</p>	
Maximum Application	<p><u>For Other than Retail Individual Investors:-</u> 1,77,000 equity shares</p> <p>Such nos. of Equity Shares in multiples of [●] Equity Shares such that the application size does not exceeds the Issue, subject to applicable limit.</p> <p><u>For Retail Investors:-</u></p> <p>33,30,000 Equity Shares</p>	

Trading Lot	<input type="checkbox"/> Equity Shares	<input type="checkbox"/> Equity Shares. However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Bid Lot Size	<input type="checkbox"/> Equity Shares thereafter Equity Shares and in multiples of <input type="checkbox"/> Equity Shares	
Terms of Payment	The entire Application Amount will be payable at the time of submission of the Application Form	

(4) *This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations through the Book Building method and hence, as per Sub-regulation (4) of Regulation 43, of SEBI (ICDR) Regulations, the allocation of Net Issue to the public category shall be made as follows:*

- (c) *At least 50% to retail individual investors; and*
- (d) *Remaining 50% to other than retail individual investors, subject to valid Applications being received.*

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

Our Company in consultation with the Book Running Lead Manager, reserves the right not to proceed with this Issue at any time before the Issue Opening Date, without assigning any reason thereof.

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 Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If the Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering/Issue of Equity Shares, the Company will file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

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

Issue Programme

ISSUE OPENING DATE	<input type="checkbox"/>
ISSUE CLOSING DATE	<input type="checkbox"/>

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time).

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

ISSUE PROCEDURE

All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“General Information Document”) **included below under section “PART B – General Information Document”**, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations 2015 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the Book Running Book Running Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, there have been certain changes in the issue procedure for initial public Issueings including making ASBA Process mandatory for all investors, allowing registrar, share transfer agents, collecting depository participants and stock brokers to accept application forms. Further, SEBI, by its circular No. (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, reduced the time taken for listing after the closure of an issue to six working days. These changes are applicable for all public issues which open on or after January 1, 2016.

Please note that the information stated/ covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Bidders are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Draft Red Herring Prospectus and the Prospectus.

This section applies to all the Bidders, please note that all the Bidders are required to make payment of the full Application Amount along with the Application Form.

Our Company and the BRLM are not liable for any amendments, modifications or change in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus.

PART A

- **Book Building Issue Procedure**

This Issue is being made in compliance with the provisions of Reg. 106(M)(1) of Chapter XB of the SEBI ICDR Regulations and through the Book Building Process wherein 50% of the net issue to Public shall be available for allocation to Retail Individual Bidders and the balance shall be available for allocation to QIBs and Non Institutional Bidders. Further 5% of the Issue shall be reserved for allocation to the Market Maker.

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 BRLMs and the Designated Stock Exchange.

Subject to valid Bids 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 retail portion where allotment to each retail bidder shall not be less than the minimum bid 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.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the BSE (www.bseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Bid/Issue Opening Date.

All Bidders shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid Cum Application Form for various categories is as follows:

Category	Colour
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	Blue

Pursuant to SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 Dated November 10, 2015, an Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called "*Designated Intermediaries*"):

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (“broker”)
4.	A depository participant (“DP”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an issue and share transfer agent (“RTA”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as proof of having accepted the application form, in physical or electronic mode, respectively.

Designated Intermediaries shall submit Bid cum Application Forms to SCSBs only.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For Applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

Bidders shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA Bidders.

Availability of Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus and Application Forms

The bid cum Application Forms and copies of the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus may be obtained from the Registered Office of our Company, Book Running Lead Manager to the Issue, Registrar to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE i.e. www.bseindia.com.

Who can Bid?

In addition to the category of Bidders as set forth under —*Part B -General Information Document for Investing in Public Issues-Category of Investors Eligible to participate in an Issue*” on page 242of this Draft Red Herring Prospectus, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporate or foreign individuals only under the Non-Institutional Investors category;
- Scientific and / or industrial research organizations authorized in India to invest in the Equity Shares.
- Any other persons eligible to apply in this Issue under the laws, rules, regulations, guidelines and policies applicable to them.

MAXIMUM AND MINIMUM APPLICATION SIZE

1. For Retail Individual Bidders

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed Rs. 2,00,000.

2. For Other than Retail Individual Bidders (Non-Institutional Bidders and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, 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.

Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

The above information is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

PARTICIPATION BY ASSOCIATES /AFFILIATES OF BRLM AND THE SYNDICATE MEMBERS

The BRLM and Syndicate Members, if any shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates/affiliates of the BRLM and Syndicate Members, if any may subscribe for Equity Shares in the Issue, either in the QIB Category or in the Non- Institutional Category as may be applicable to the Bidder, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Option to Subscribe in the Issue

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form. However, they may get the specified securities re-materialized subsequent to allotment.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

Information for the Bidders

- Our Company shall file the Red Herring Prospectus with the RoC at least three days before the Bid / Issue Opening Date.
- Our Company shall, after registering the Red Herring 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 Book Running 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.
- Our Company shall announce the Price Band at least five Working Days before the Issue Opening Date in English and Hindi national newspapers and one regional newspaper with wide circulation.
- This announcement shall contain relevant financial ratios computed for both upper and lower end of the Price Band. Further, this announcement shall be disclosed on the websites of the Stock Exchanges where the Equity Shares are proposed to be listed and shall also be pre-filled in the application forms available on the websites of the stock exchanges.
- The Issue Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Issue Period shall be extended, by an additional three Working Days, subject to the total Issue Period not exceeding ten Working Days. The revised Price Band and Issue Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and by publishing in English and Hindi national newspapers and one regional newspaper with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager and at the terminals of the members of the Syndicate.
- The Book Running Lead Manager shall dispatch the Red Herring Prospectus and other Issue material including Bid cum Application Form, to the Designated Stock Exchange, members of the Syndicate, Bankers to the Issue, investors' associations and SCSBs in advance.
- Copies of the Bid cum Application Form will be available for all categories of Bidders, with the Designated Branches, members of the Syndicate (at the Syndicate ASBA Bidding Centers) and at our Registered Office. Electronic Bid cum Application Form will be available on the websites of the SCSBs and on the websites of the Stock Exchanges at least one Working Day prior to the Issue Opening Date. Copies of the Bid cum Application Form will be available for the Retail Individual Bidders with the members of the Syndicate and at our Registered Office.

The Bidders should note that in case the PAN, the DP ID and Client ID mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Member does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Bid cum Application Form is liable to be rejected.

Application by Indian Public including eligible NRIs applying on Non-Repatriation Basis

Bid cum Application must be made only in the names of individuals, Limited Companies or Statutory Corporations /institutions and not in the names of Minors, Foreign Nationals, Non Residents Indian (except for those applying on non-repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares Issued to the public. Eligible NRIs applying on a non-repatriation basis should authorize their SCSB to block their NRE/FCNR accounts as well as NRO accounts.

Applications by eligible NRIs/ FPI's on Repatriation Basis

Bid cum Application Forms have been made available for eligible NRIs at our registered office and at the office of the Book Running Lead Manager to the Issue.

Eligible NRIs Bidders may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the category. The Eligible NRIs who intend to get the amount blocked in the Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for this category.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30(thirty) days from the date of issue of shares of allotment to NRIs on repatriation basis.

Allotment of Equity shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

As Per The Current Regulations, The Following Restrictions Are Applicable For Investments By FPIs.

1) A foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by a domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of Schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized Stock Exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian Company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where "infrastructure" is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-Convertible debentures or bonds issued by Non – Banking Financial Companies categorized as "Infrastructure Finance Companies" (IFC) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.

2) Where a foreign institutional investor or a sub account, prior to commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014, hold equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after Initial Public Issue and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a

foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment from the time being in force.

- 3) In respect of investments in the secondary market, the following additional conditions shall apply:
 - a) A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
 - b) Nothing contained in clause (a) shall apply to:
 - i) Any transactions in derivatives on a recognized stock exchange;
 - ii) Short selling transactions in accordance with the framework specified by the Board;
 - iii) Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; iv) Any other transaction specified by the Board.
 - c) No transaction on the stock exchange shall be carried forward;
 - d) The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board; provided nothing contained in this clause shall apply to:
- 4) transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
- 5) Sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- 6) Sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- 7) Sale of securities, in accordance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
- 8) divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines of Disinvestment of shares of Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
- 9) Any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
- 10) Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making portion of the Issue or subscribing to the unsubscribed portion of the Issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- 11) Any other transaction specified by Board.
 - a) A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form:
- 12) Provided that any shares held in non-dematerialized form, before the commencement of these regulation, can be held in non-dematerialized form, if such shares cannot be dematerialized.

- 13) Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.
- 14) The purchase of Equity Shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
- 15) The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
- 16) In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
- 17) A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.
- 18) No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:
 - 19) Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority;
 - 20) Such offshore derivatives instruments are issued after compliance with “know your client” norms:

Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal, in offshore derivatives instruments directly or indirectly:

Provided further that, no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.

Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

Any offshore derivative instruments issued under the Securities and Exchange Board of India of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulation, 2014 shall be deemed to have been issued under the corresponding provision of SEBI (Foreign Portfolio Investors) Regulation, 2014.

The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10 per cent of the total issued capital of the company.

An FII or its subaccount which holds a valid certificate of registration shall, subject to the payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

Qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provision of SEBI (Foreign Portfolio Investors) Regulation, 2014, for a period of one year from the date of commencement of aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

Application by Mutual Funds

As per the Current regulations, the following restrictions are applicable for investments by Mutual Fund:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid Cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bid in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Bid made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

Applications by Limited Liability Partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the LLP Act, 2008 must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bids without assigning any reason thereof.

Applications by Insurance Companies

In case of Bids made by insurance companies registered with IRDA, certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment Scheme) (5th Amendment) Regulations, 2010, as amended (the “IRDA Investment Regulations”), are broadly set forth below:

- (a) Equity shares of a company: The lesser of 10% of the investee company’s subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) The entire group of the investee company: at least 10% of the respective fund in case of a life insurer or 10% of investment assets in case of general insurer or reinsurer (25% in case of Unit Linked Insurance Plans); and
- (c) The industry sector in which the investee company operates: 10% of the insurer’s total investment exposure to the industry sector (25% in case of Unit Linked Insurance Plans).

Applications under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPI’s, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakh (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakh, a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

With respect to the Bids by VCFs, FVCIs and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In the case of Bids made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolutions or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be submitted along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Bids made by to the power of attorney by FIIs, a certified copy of the power of attorney the relevant resolution or authority, as the case may be along with the certified copy of SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Bid cum Applications made by provident funds, subject to applicable law, with minimum corpus of Rs. 2500 Lakh and pension funds with minimum corpus of Rs. 2500 Lakh, 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 Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

Application by Provident Funds/Pension Funds

In case of Bids made by provident funds with minimum corpus of Rs. 2,500 lakhs (subject to applicable law) and pension funds with minimum corpus of Rs. 2,500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Bidder. Our Company, BRLM and Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in this Draft Red Herring Prospectus.

Bids by banking companies

In case of Bids 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 Bid cum Application Form, failing which our Company, severally and not jointly, reserve the right to reject any Bid without assigning any reason therefore.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Circular – Para-banking Activities dated July 1, 2015 is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Method and Process of Bids

- 1) The Designated Intermediaries shall accept applications from the Bids during the Issue Period.
- 2) The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 (ten) Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 (ten) Working Days.
- 3) During the Issue Period, Bidders who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
- 4) The Bidder cannot apply on another Application Form after bids on one Bid Cum Application Form have been submitted to the Designated Intermediaries. Submission of a second Bid cum Application form to either the same or to another Designated Intermediaries will be treated as multiple bids and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.

- 5) Designated Intermediaries accepting the bid cum application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All bids shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.
- 6) Upon receipt of the bid cum Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the bid Amount are available in the ASBA Account, as mentioned in the bid cum Application Form, prior to uploading such bids with the Stock Exchange.
- 7) If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such bids and shall not upload such bids with the Stock Exchange.
- 8) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the bid Amount mentioned in the Bid cum Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
- 9) The bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdraw/ failure of the Issue or until withdrawal/ rejection of the bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful bidders to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Terms of payment

The entire Issue price of [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the bidders. SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the bidders.

- **Payment Mechanism**

The Bidders shall specify the bank account number in their Bid cum Application Form and the SCSBs shall block an amount equivalent to the bid Amount in the bank account specified in the Bid cum Application Form. The SCSB shall keep the bid Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the bid Amount. However Non Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Bid by the ASBA Bidder, as the case may be.

*Please note that pursuant to SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in the public issue can only invest through ASBA Mode. **Electronic Registration of Applications***

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
 - i. the Bids accepted by them,
 - ii. the Bids uploaded by them
 - iii. the Bids accepted but not uploaded by them or
 - iv. With respect to applications by Bidders, Bids accepted and uploaded by any Designated Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Bid 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 Book Running Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
 - i. the bids accepted by any Designated Intermediaries
 - ii. the bids uploaded by any Designated Intermediaries or
 - iii. the bids accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Book Running Lead Manager on a regular basis.
6. With respect to bids by bidders, at the time of registering such bids, the Syndicate Bankers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

**Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

1. With respect to bids by bidders, at the time of registering such bids, the Designated Intermediaries shall enter the following information pertaining to the bids into in the on-line system: •Name of the bidder; IPO Name:
 - Bid cum Application Form Number;
 - Investor Category;
 - PAN (of First bidder, if more than one bidder);
 - DP ID of the demat account of the Bidder;
 - Client Identification Number of the demat account of the Bidder;
 - Number of Equity Shares Applied for;
 - Bank Account details;
 - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
 - Bank account number.
2. In case of submission of the Bid by a Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid cum Application Form number which shall be system generated.
3. The aforesaid Designated Intermediaries shall, at the time of receipt of bid, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the bid cum application form in physical as well as electronic mode. The registration of the bid by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
4. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
5. In case of Non Retail Bidders and Retail Individual Bidders, bids would not be rejected except on the technical grounds as mentioned in the Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
6. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
7. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.

8. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
 9. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for bids.
- **Allocation of Equity shares**
 1. The Issue is being made through the Book Building Process wherein 1,56,000 Equity Shares shall be reserved for Market Maker. 14,76,000 Equity shares will be allocated on a proportionate basis to Retail Individual Bidders, subject to valid bids being received from Retail Individual Bidders at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non Retail Bidders.
 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 Book Running Lead Manager and the Stock Exchange.
 3. Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
 4. In terms of SEBI Regulations, Non Retail Bidders shall not be allowed to either withdraw or lower the size of their applications at any stage.
 5. Allotment status details shall be available on the website of the Registrar to the Issue.
 - **Signing of Underwriting Agreement and Filing of Draft Red Herring Prospectus with ROC**
 - a. Our company, BRLM and Syndicate Members has entered into an Underwriting Agreement dated August 16, 2017.
 - b. A copy of Red Herring Prospectus and Prospectus will be filed with the RoC in terms of Section 26 of Companies Act, 2013.
 - **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation. In the pre-Issue advertisement, we stated the Bid Opening Date and the Bid Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, was in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.
 - **Advertisement regarding Issue Price and Prospectus**

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

- **Issuance of Allotment Advice**

- a. Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- b. The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment.

Advice to their bidders who have been allocated Equity Shares in the Issue.

The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bid.

General Instructions Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Bid Cum Application Form;
- Ensure that you have Bid within the Price Band;
- Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the bidders should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations); Instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- Ensure that the Bid cum Application Form is signed by the account holder in case the bidder is not the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
- Ensure that the Bid cum Application Forms are delivered by the bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your bid options;
- All Investors submit their bids through the ASBA process only;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
- The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

- Do not apply for lower than the minimum bid size;
- Do not apply for a price different from the price mentioned herein or in the Bid cum Application Form;
- Do not apply on another Bid cum Application Form after you have submitted an application to the SCSBs, Registered Brokers of Stock Exchange, RTA and DPs registered with SEBI;
- Do not pay the bid Price in cash, by money order or by postal order or by stock invest;
- Do not send Bid cum Application Forms by post, instead submit the Designated Intermediary only;

- Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company
- Do not apply on an Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the bid without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an bid Amount exceeding Rs. 2,00,000 (for applications by Retail Individual Bidders);
- Do not fill up the Bid cum Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit bids on plain paper or incomplete or illegible Bid cum Application Forms in a colour prescribed for another category of Applicant; and
- Do not make Bid cum Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
- Do not submit more than five Bid cum Application Forms per ASBA Account;

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Bids at Different Price Levels and Revision of Bids

- a) Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b) Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate or the SCSB / Designated Intermediary, where the Bid was submitted and bank account number in which the amount equivalent to the Bid Amount was blocked.

Bidders 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, unblocking of funds, etc. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders can contact the Designated Branches of the SCSBs.

Impersonation

Attention of the bidders 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-

- i. Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- ii. 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
- iii. Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

Shall be liable to action under section 447 of the Companies, Act 2013

Undertakings by Our Company

We undertake as follows:

1. That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (six) Working days of Bid/Issue Closing Date.
3. That if the Company does not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
4. That the our Promoters' contribution in full has already been brought in;
5. 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 Bid/Issue Closing Date.
6. That no further issue of Equity Shares shall be made till the Equity Shares Issued through the Red Herring Prospectus are listed or until the Application monies are unblocked on account of non-listing, under subscription etc. and

7. That if the Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issuer;
 8. Adequate arrangements shall be made to collect all Bid cum Application Forms.
 9. That none of the promoters or directors of the company is willful defaulter under Section 4(5) of SEBI (ICDR) Regulations, 2009 as per the *(Third Amendment) in SEBI (ICDR) Regulations, 2016 dated May, 25, 2016*
- **Utilization of Issue Proceeds**
Our Company declares that all monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013.
 - **Equity Shares in Dematerialized Form with NSDL or CDSL**
To enable all shareholders of our Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:
 - a) Agreement dated [●] between NSDL, the Company and the Registrar to the Issue;
 - b) Agreement dated [●] between CDSL, the Company and the Registrar to the Issue;

The Company's equity shares bear an ISIN No. [●]

- **Other Instructions**

Joint Applications in the case of Individuals

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Applications

An Applicant should submit only one Application (and not more than one). Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications
- ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are

- manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of —know your client norms by the depositories. The Company reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple Applications and are liable to be rejected. The Company, in consultation with the Book Running Book Running Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple Applications is given below:

1. All Applications will be checked for common PAN. For Bidders other than Mutual Funds and FII subaccounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
2. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Bidders for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

Permanent Account Number or PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (—PAN) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Bidders should mention his/her PAN allotted under the IT Act. Applications without the PAN will be considered incomplete and are liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

Our Company/ Registrar to the Issue Book Running Lead Manager can, however, accept the Application(s) in which PAN is wrongly entered into by ASBA SCSB's in the ASBA system, without any fault on the part of Applicant.

PART B

GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Draft Red Herring Prospectus/ 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 inter-alia through the Book Building Issues. The purpose of the “*General Information Document for Investing in Public Issues*” is to provide general guidance to potential Applicants in IPOs, on the processes and procedures governing IPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI ICDR Regulations, 2009**”).

Applicants should note that investment in equity and equity related securities involves risk and Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue; are set out in the Prospectus filed by the Issuer with the Registrar of Companies (“**RoC**”). Applicants should carefully read the entire Prospectus and the Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the Prospectus, the disclosures in the Prospectus shall prevail. The Prospectus of the Issuer is available on the websites of stock exchange, on the website(s) of the **BRLM** to the Issue and on the website of Securities and Exchange Board of India (“**SEBI**”) at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Applicants may refer to the section “Glossary and Abbreviations”.

- **Section 2: Brief Introduction to IPOs on SME Exchange**

2.1 Initial public Issue (IPO)

An IPO means an Issue of specified securities by an unlisted Issuer to the public for subscription and may include an Issue for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is inter-alia required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009 if applicable. For details of compliance with the eligibility requirements by the Issuer Applicants may refer to the Prospectus.

The Issuer may also undertake IPO under Chapter XB of SEBI (ICDR) regulations, wherein as per,

- Regulation 106M(1): An issuer whose post-issue face value capital does not exceed ten crore rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M(2): An issuer whose post-issue face value capital is more than ten crore rupees and upto twenty five crore rupees, may also issue its specified securities in accordance with provisions of this Chapter.

The present Issue being made under Regulation 106M(2) of Chapter XB of SEBI (ICDR) Regulation.

2.2 Other Eligibility Requirements

In addition to the eligibility requirements specified in paragraphs 2.1 an Issuer proposing to undertake an IPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 1956 and the Companies Act, 2013 as may be applicable (“the Companies Act), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

Following are the eligibility requirements for making an SME IPO under Regulation 106M (1) of Chapter XB of SEBI (ICDR) Regulation:

- a) In accordance with Regulation 106(P) of SEBI (ICDR) Regulation, Issue has to be 100% underwritten and the BRLM has to underwrite at least 15% of the total issue size.
- b) In accordance with regulation 106(R) of SEBI (ICDR) Regulation, total number of proposed allottees in the Issue shall be greater than or equal to fifty, otherwise the entire application money will be blocked forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under Section 40 of the Companies Act, 2013.
- c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulation, Company is not required to file any Issue Document with SEBI nor has SEBI issued any observations on the Issue Document. The **Book Running Lead Manager** shall submit the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulation, the BRLM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares Issued in the Issue.
- e) The Issuer shall have a track record of three years.
- f) The Net worth (excluding revaluation reserves) of the Issuer shall be positive as per the latest audited financial results.
- g) The Issuer should have positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years.
- h) The Post-issue paid up capital of the Issuer shall be less than Rs. 25 Crores.
- i) The Issuer shall mandatorily facilitate trading in demat securities.
- j) The Issuer should not have been referred to Board for Industrial and Financial Reconstruction.
- k) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company.
- l) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the Issuer.
- m) The Company should have a website

Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106 (M) (3) of SEBI (ICDR) Regulation, 2009 the provisions of regulations 6(1), 6(2), 6(3) , Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this Issue.

Thus the Company is eligible for the Issue in accordance with Regulation 106M(2) and other provision of Chapter XB of SEBI (ICDR) Regulations as the post –issue face value capital does not exceed Rs.2500 Lakh. Company also complies with the eligibility conditions laid by the SME Platform of BSE for listing of our Equity Shares.

2.3 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Issue (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Applicants should refer to the Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.4 Issue Period

The Issue may be kept open for a minimum of three Working Days (for all category of Applicants) and not more than ten Working Days. Applicants are advised to refer to the Application Form and Abridged Prospectus or Prospectus for details of the Issue Period. Details of Issue Period are also available on the website of Stock Exchange.

2.5 Migration to Main Board

SME Issuer may migrate to the Main Board of Stock Exchange from the SME Exchange at a later date subject to the following:

- a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), The

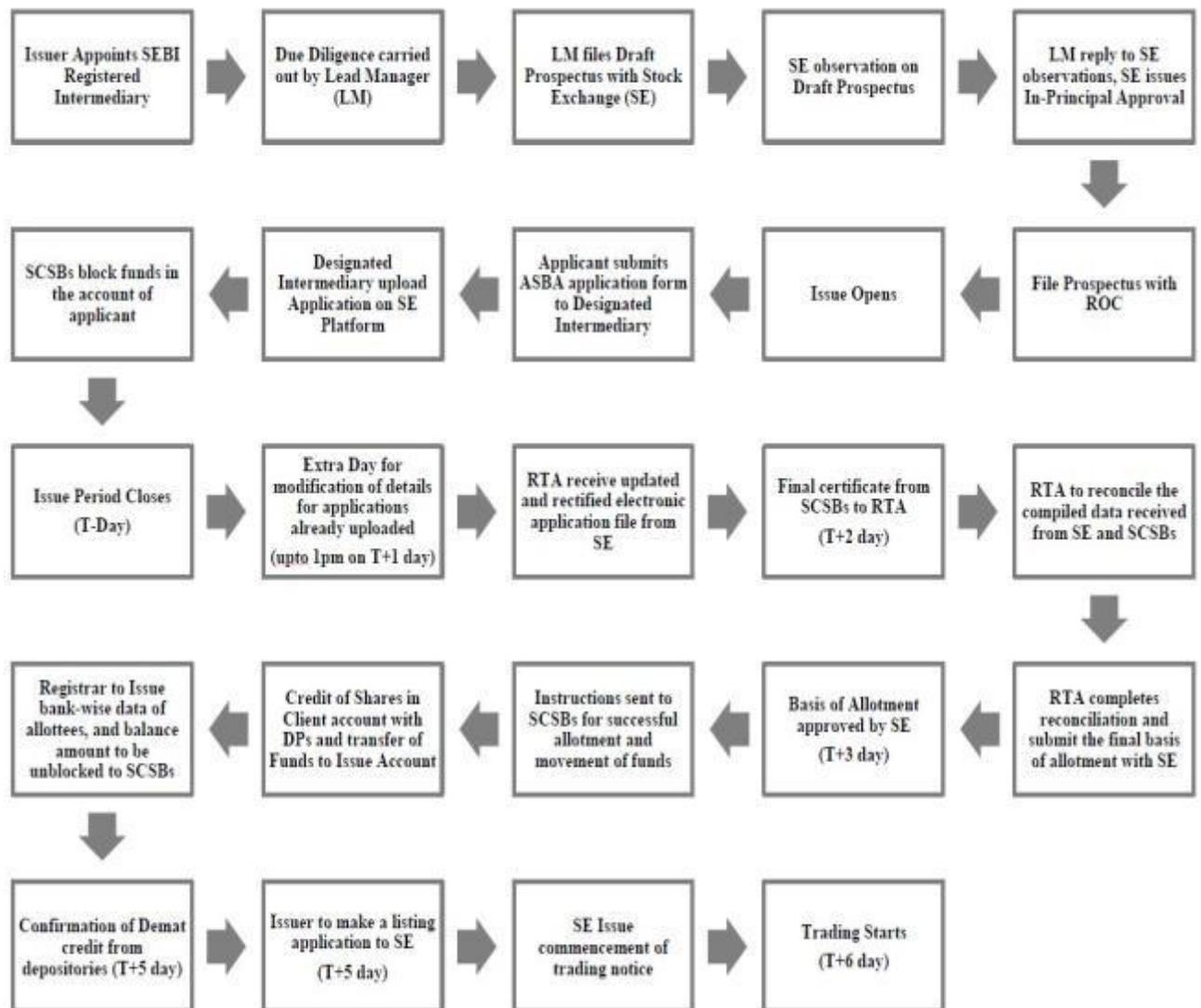
Company shall apply to SE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

b) If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

2.6 Flowchart of Timelines

A flow chart of process flow in Book Building Issues is as follows:



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Bidders, such as NRIs, FII's, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Bidders is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, in single or joint names (not more than three) or in the names of minors as natural / legal guardian;
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder/Bidder should specify that the Application is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs may be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorized to invest in equity shares under their respective constitutional and charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law; NRIs other than Eligible NRIs are not eligible to participate in this Issue.
- Indian Financial Institutions, scheduled commercial banks regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable); •FPIs other than Category III foreign portfolio investors, VCFs and FVCIs registered with SEBI.
- Limited liability partnerships registered in India and authorized to invest in equity shares.
- Sub- accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non- Institutional Bidder's category.
- State Industrial Development Corporations.
- Trusts/societies registered under the Societies Registration Act, 1860, as amended or under any other law relating to trusts/societies and who are authorized under their respective constitutions to hold and invest in equity shares;
- Scientific and/ or Industrial Research Organizations authorized to invest in equity shares.
- Insurance Companies registered with IRDA;
- Provident Funds and Pension Funds with minimum corpus of ` 2500 Lakhs and who are authorized under their constitution to hold and invest in equity shares; •Eligible QFIs;
- Multilateral and Bilateral Development Financial Institutions;
- National Investment Fund set up by resolution no F.No.2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- Insurance funds set up and managed by army, navy, air force of the Union of India or by Department of Posts, India;
- Any other person eligible to apply to this Issue, under the laws, rules, regulations, guidelines, and policies applicable to them and under Indian Laws.

Applications not to be made by:

- **Minors (except under guardianship)**
- **Partnership firms or their nominees**
- **Foreign Nationals (except NRIs)**
- **Overseas Corporate Bodies**

As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Building Issue: Bidders should only use the specified Bid cum Application Form either bearing the stamp of Designated Intermediaries as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the registered office of the Issuer, and office of the RTA and at the office of the BRLM. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the Prospectus.

Bidders should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Bidders is as follows:

Category	Color of the Application
Resident Indian, Eligible NRIs applying on a non -repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs on a repatriation basis	Blue

4.1 Instructions for Filing Bid cum Application Form/ Bid cum Application Form

Bidders may note that forms not filled completely or correctly as per instructions provided in this GID, the Red Herring Prospectus and Bid cum Application Form / Bid cum 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 Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for nonresident Bidders are reproduced below:

TO: **THE BOARD OF DIRECTORS** **BOOK BUILT ISSUE** Bid cum Application Form No. _____

XYZ LIMITED ISIN : _____

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
		Mr. / Ms. _____
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	BROKER BANK/SCSB BRANCH STAMP & CODE	Address _____
		Email _____
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	Tel. No (with STD code) / Mobile _____
		2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	6 INVESTOR STATUS
_____	<input type="checkbox"/> NRI Non-Resident Indians (Repatriation basis)
For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID	<input type="checkbox"/> FI FI or Sub-account not a Corporate/Foreign Individual
	<input type="checkbox"/> FII FI Sub-account Corporate/Individual
	<input type="checkbox"/> FVCI Foreign Venture Capital Investor
	<input type="checkbox"/> FPI Foreign Portfolio Investors
	<input type="checkbox"/> OTH Others (Please Specify) _____

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")					5. CATEGORY
Bid Options:	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" Price in multiples of ₹ 1/- only (In Figures)			<input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB
		Bid Price	Retail Discount	Net Price	
Option 1	8 7 6 5 4 3 2 1	5 3 1	5 2 1	3 2 1	
(OR) Option 2					
(OR) Option 3					

7. PAYMENT DETAILS	PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>
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 ANNEXED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVITING IN PUBLIC ISSUE ("GII") AND HEREBY AGREE AND CONFIRM THE BIDDERS UNDERTAKING AS GIVEN OVERLEAF I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE / FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) <small>(We advise you to get the following necessary to make an application in the form)</small>	BROKER / SCSB / DP / RTA STAMP (Acknowledging receipt of Bid in Stock Exchange system)
Date : _____	1) _____ 2) _____ 3) _____	

TEAR HERE

LOGO	XYZ LIMITED	Acknowledgement Slip for Broker/SCSB/DP/RTA	Bid cum Application Form No. _____
	INITIAL PUBLIC ISSUE - NR		

DPID / CLID		PAN of Sole / First Bidder	_____
Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch	
ASBA Bank A/c No.			
Received from Mr/Ms			
Telephone / Mobile	Email		

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder
	No. of Equity Shares				
	Bid Price				
	Amount Paid (₹)				
ASBA Bank A/c No.				Acknowledgement Slip for Bidder	Bid cum Application Form No. _____
Bank & Branch					

4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER

Bidders should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- a) **Mandatory Fields:** Bidders should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders should note that the contact details mentioned in the Bid cum Application Form may be used to dispatch communications (including letters notifying the unblocking of the bank accounts of Bidders) 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,
- b) The Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- c) **Joint Bids:** In the case of Joint Bids, the Bids should be made in the name of the Bidder 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 would be required in the Bid cum Application Form/ Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders All communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- d) **Impersonation:** Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:
 - e) **“Any person who:**
 - makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
 - makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
 - Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the said act.”
 - f) **Nomination Facility to Bidder: 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 should inform their respective DP.

1.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER

- a) PAN (of the sole/ first Bidder) provided in the Bid cum Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Applications on behalf of the Central or State Government, Applications by officials appointed by the courts and Applications by Bidders residing in Sikkim (“PAN Exempted Bidders”). Consequently, all Bidders, other than the PAN Exempted Bidders, are required to disclose their PAN in the Bid cum Application Form, irrespective of the Application

Amount. A Bid cum Application Form without PAN, except in case of Exempted Bidders, is liable to be rejected. Applications by the Bidders 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 is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- d) Bid cum Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- e) Applications by 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.

1.1.3 FIELD NUMBER 3: BIDDERS DEPOSITORY ACCOUNT DETAILS

- a) Bidders should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form. The DP ID and Client ID provided in the Bid cum Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to berejected.**
- b) Bidders should ensure that the beneficiary account provided in the Bid cum Application Form is active.
- c) Bidders should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form, the Bidder may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder 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 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’ sole risk.

1.1.4 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 DRHP 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/Offer Opening Date in case of an IPO, and at least one Working Day before Bid/Offer Opening Date in case of an FPO.
- b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs undertaken through the Book Building Process. 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 Offer 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.

c) **Minimum Bid 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 Bid value is within the range of above `1,00,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum Bid value.

d) **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 DRHP or the advertisement regarding the Price Band published by the Issuer. **Minimum and Maximum Bid Size** i. For Retail Individual Bidders

- ii. The Application must be for a minimum of [●] equity shares. As the application price payable by the retail individual Bidders cannot exceed ` 200000 they can make Application for only minimum Application size i.e for [●] equity shares.
- iii. For Other Bidders (Non Institutional Bidders and QIBs):
- iv. The Application must be for a minimum of such number of equity shares such that the Application Amount exceeds `200000 and in multiples of [●] equity shares thereafter. An application cannot be submitted for more than the Issue Size. However, the maximum application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application. In case of revision of Applications, the Non Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ` 200000 for being considered for allocation in the Non Institutional Portion. Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of equity shares that can be held by them under prescribed law or regulation or as specified in this Draft Red Herring Prospectus.
- v. In case the Bid Amount reduces to ` 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- vi. 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.

e) **Multiple Applications:** Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three 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 member of the Syndicate, SCSB or Registered Broker 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.

f) Bidders are requested to note the following procedures may be followed by the Registrar to the issue to detect multiple applications:

- i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FPI sub-accounts, bids bearing the same PAN may be treated as multiple applications by a Bidder and may be rejected.

- ii. For applications from Mutual Funds and FPI sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Bidders, the Bid cum 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.
- g) The following Bids may not be treated as multiple applications:
- iii. Bid by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
 - iv. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bid clearly indicates the scheme for which the application has been made.
 - v. Application by Mutual Funds, and sub-accounts of FPIs (or FPIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs, and DP IDs.

1.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS

a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Application, allocation and allotment in the Issue are RIIs, Individual Bidders other than RIIs, and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

b) An Issuer can make reservation for certain categories of Bidders as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders may refer to the Prospectus.

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. For details pertaining to allocation and Issue specific details in relation to allocation Bidder may refer to the Draft Red Herring Prospectus.

1.1.6 FIELD NUMBER 6: INVESTOR STATUS

- i. Each Bidder 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.
- ii. Certain categories of Bidders, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders are requested to refer to the Red Herring Prospectus for more details.
- iii. Bidders 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.
- iv. Bidders should ensure that their investor status is updated in the Depository records.

1.1.7 FIELD NUMBER 7: PAYMENT DETAILS

- a) All Bidders are required to use ASBA facility to block the full Amount (net of any Discount, as applicable) along-with the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Bid cum Application Form and the funds shall be blocked for Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder.
- b) All categories of investors can participate in the Issue only through ASBA mechanism.
- c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.
- d) Bidders who Bid at Cut-off Price shall DEPOSIT the Bid Amount based on the Cap Price.

1.1.7.1 Payment instructions for Bidders

- a) Bidders may submit the Bid cum Application Form either in physical mode or online mode to any Designated Intermediaries.
- b) Bidders should specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by an 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) Bidder 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) Bidder 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 Bid cum Application Forms can be submitted.
- f) Bidders applying 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 applying 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 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) ASBA Bidder applying 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 Bid cum 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 Bid cum Application Form.

- j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Bid cum Application Form may upload the details on the Stock Exchange Platform.
- k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- l) Upon submission of a completed 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 Application 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 cum Application, as the case may be.
- n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Application is liable to be rejected.

1.1.8 Unblocking of ASBA Account

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful Bids transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted, if any, against each 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/ non allotment / partial allotment ASBA Application, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bid, 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 Bid 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 Bid, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 6 Working Days of the Issue Closing Date.

4.1.8.1 Discount (if applicable)

- a) The Discount is stated in absolute rupee terms.
- b) RII, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts Issued in the Issue, Bidders may refer to the Red Herring Prospectus.
- c) For the Bidders entitled to the applicable Discount in the Issue the Bid Amount less Discount (if applicable) shall be blocked.

4.1.8.2 Additional Instructions for NRIs

The Non-Resident Indians who intend to block funds in their Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, blocking of funds in their NRO account shall not be accepted.

4.1.9 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

- a) Only the First Bidder is required to sign the Bid cum Application Form. Bidders 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, then the Signature of the ASBA Account holder(s) is also required.
- c) In relation to the Applications, signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form, or an authorization has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Bid cum Application Form.
- d) Bidders must note that Bid cum Application Form without signature of Bidder and /or ASBA Account holder is liable to be rejected.

4.1.10 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Bidders should ensure that they receive the acknowledgment duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Bid cum Application Form.

- 1) A
 All communications in connection with Applications made in the Issue should be addressed as under:
 - a) I
 In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, unblocking of funds, the Bidders should contact the Registrar to the Issue.
 - b) I
 In case of Applications submitted to the Designated Branches of the SCSBs or Registered Brokers or Registered RTA/DP, the Bidders should contact the relevant Designated Branch of the SCSB or Registered Brokers or Registered RTA/DP, as the case maybe.
 - c) B
 Bidder may contact the Company Secretary and Compliance Officer or BRLM in case of any other complaints in relation to the Issue.
- 2) T
 The following details (as applicable) should be quoted while making any queries -
 - a) Full name of the Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
 - b) name and address of the Designated Intermediary, where the Application was submitted; or
 - c) In case of ASBA Applications, ASBA Account number in which the amount equivalent to the Application Amount was blocked.

For further details, Bidder may refer to the Red Herring Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISIONFORM

- a) During the Issue Period, any Bidder (other than QIBs and NIIs, who can only revise their application upwards) who has registered his or her interest in the Equity Shares at a particular number of shares is free to revise number of shares applied using revision forms available separately.

- b) RII may revise their applications till closure of the issue period or withdraw their applications until finalization of allotment.
- c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- d) The Bidder can make this revision any number of times during the Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same Designated Intermediary through which such Bidder had placed the original Bid.

A sample Revision form is reproduced below:

COMMON BID REVISION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRHs APPLYING ON A NON-REPATRIATION BASIS
	Address : _____ Contact Details : _____ CIN No _____	

LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	BOOK BUILT ISSUE	Bid cum Application Form No. _____
		ISIN : _____	

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
		Mr./Ms. _____ Address _____ E-mail _____ Tel. No (with STD code) / Mobile _____
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	BANK BRANCH SERIAL NO.	2. PAN OF SOLE / FIRST BIDDER
	SCSB SERIAL NO.	3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL
		For NSDL, enter 8 digit DP ID followed by 4 digit Share ID / For CDSL, enter 16 digit Client ID

4. FROM (AS PER LAST BID OR REVISION)												
Bid Options	No. of Equity Shares Bid (Bid to be in multiples of Bid Lot as advertised)						Price per Equity Share (By "Cut-off" (Price in multiples of ₹ 1/- only) (In Figure))					
	0	1	2	3	4	5	Bid Price	Retal 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 (Bids must be in multiples of Bid Lot as advertised)						Price per Equity Share (By "Cut-off" (Price in multiples of ₹ 1/- only) (In Figure))					
	0	1	2	3	4	5	Bid Price	Retal Discount	Net Price	"Cut-off" (Please tick)		
Option 1												<input type="checkbox"/>
(OR) Option 2												<input type="checkbox"/>
(OR) Option 3												<input type="checkbox"/>

6. PAYMENT DETAILS										PAYMENT OPTION : <input type="checkbox"/> FULL PAYMENT <input type="checkbox"/> PART PAYMENT		
Additional Amount Paid (₹ in figure)					₹ in words							
ASBA Bank A/c No. _____												
Bank Name & Branch _____												

I/WE HEREBY DECLARE THAT I/WE HAVE READ AND UNDERSTAND THE TERMS AND CONDITIONS OF THE IPO OF XYZ LIMITED AND AGREE TO ACCEPT AND BE BOUND BY THE GENERAL PROVISIONS AND TERMS AND CONDITIONS OF THE IPO AND CONFIRM THE SIGNED INSTRUMENT AS GIVEN HERETO/HEREON BEHALF OF MY APPLICANTS (IF ANY) BIDDERS CONFIRM THAT I/WE HAVE READ AND UNDERSTAND THE TERMS AND CONDITIONS OF THE IPO.

7A. SIGNATURE OF SOLE / FIRST BIDDER	7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (As per Bank Records)	BROKER / SUB / DP/RTA STAMP (As per bid log system of Bid in Bank Exchange system)
_____	_____	
	I/We authorize the BSB to debit all sums as necessary to make the Application for bid.	

LOGO	XYZ LIMITED	Acknowledgement Slip for Broker/SCSB/DP/RTA	Bid cum Application Form No. _____
	BID REVISION FORM - INITIAL PUBLIC ISSUE - R		

DPID / CLID	PAN of Sole / First Bidder	Stamp & Signature of SCSB Branch
Additional Amount Paid (₹)		Stamp & Signature of Broker / SCSB / DP / RTA
ASBA Bank A/c No.		
Received from Mr./Ms. _____		
Telephone / Mobile	Email	

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder	
	No. of Equity Shares					
	Bid Price					
	Additional Amount Paid (₹)					Acknowledgement Slip for Bidder
	ASBA Bank A/c No.					Bid cum Application Form No. _____
Bank & Branch						

4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER

Bidders 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 must also mention the details of the share applied/bid for given in his or her Bid cum Application Form or earlier Revision Form.
- b) In case of revision, Bid options should be provided by Bidders 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 should ensure that the Bid Amount, should not exceed `2,00,000/- due to revision and the bid may be considered, subject to the 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 Cutoff 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 Offer Price as determined at the end of the Book Building Process.
- d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ` 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the DRHP. If, however, the RII does not either revise the Bid or make additional payment and the Offer 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 are required to make payment of the full Bid Amount (less Discount, if applicable) along with the Bid Revision Form. 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) Bidder 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 had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ` 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the DRHP. If, however, the Bidder does not either revise the Bid or make additional payment and the Offer 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 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 may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 SUBMISSION OF REVISION FORM/BID CUM APPLICATION FORM

Bidders may submit completed Bid cum Application Form / Revision Form in the following manner:-

Mode of Application	(c) Submission of Bid cum Application Form
All Investor Bids	To the Designated Intermediaries

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid cum Application Form, in physical or electronic mode respectively

SECTION 5: ISSUE PROCEDURE IN BOOK BUILDING ISSUE

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Offer Price is finalised after the Bid/Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Offer, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS:

- (a) During the Bid/Offer Period, Bidders/Applicants may approach any of the Designated Intermediaries to register their Bids.
- (b) In case of Bidders/Applicants (excluding NIIs, NIBs 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 DRHP.

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/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.
- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1 p.m. on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer 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/Offer 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/ Offer Period.

5.4 WITHDRAWAL OF BIDS

- (a) RIBs can withdraw their Bids until Bid/Offer Closing Date. In case a RIB wishes to withdraw the Bid during the Bid/Offer 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 upon or after the finalization of basis of allotment. QIBs and NIBs 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:
 - i. the Bids accepted by the Designated Intermediary, ii. the Bids uploaded by the Designated Intermediary, and iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediary.
- (b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all 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; 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, NIBs & RIBs Bidders can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Forms 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, which have been detailed at various places in this GID:-

- a. Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- b. Bids/Applications by OCBs;

- 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 are not being submitted along with the Bid cum 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 any person outside India if not in compliance with applicable foreign and Indian laws;
- g. PAN not mentioned in the Bid cum Application Form/ Application Forms 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;
- h. In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- i. Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- j. Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;
- k. Bids/Applications at Cut-off Price by NIBs and QIBs;
- l. The amounts mentioned in the Bid cum Application Form/Application Forms do not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- m. Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- n. Submission of more than five ASBA Forms/Application Forms per ASBA Account;
- o. Bids/Applications for number of Equity Shares which are not in multiples Equity Shares as specified in the RHP;
- p. Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- q. Bids not uploaded in the Stock Exchanges bidding system.
- r. Inadequate funds in the bank account to block the Bid/ Application Amount specified in the ASBA Form/
Application Form at the time of blocking such Bid/ Application Amount in the bank account;
- s. Where no confirmation is received from SCSB for blocking of funds;
- t. Bids/Applications by Bidders not submitted through ASBA process;
- u. Bids/Applications submitted to Designated Intermediaries at locations other than the Bidding Centers or 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;
- v. 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 Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer 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 DRHP/ RHP/ Prospectus.
- b. Under-subscription in any category (except QIB Portion) is allowed to be met with spill-over 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 Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

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 Offer; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the price band. For instance, assume a price band of `20 to `24 per share, issue size of [.] 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 company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price (`)	Cumulative Quantity	Subscription
500	24	500	16.70%
1000	23	1500	50.00%
1500	22	3000	100.00%
2000	21	5000	166.70%
2500	20	7500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of equity shares is the price at which the book cuts off, i.e., `22.00 in the above example. The issuer, in consultation with the Book Running Lead Manager , will finalise the issue price at or below such cut-off price, i.e., at or below `22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

(e) Alternate Method of Book Building

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding (“Alternate Book Building Process”). The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Offer 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. RIBs, NIBs 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 FIX PRICE ISSUE

Bidders may note that there is no Bid cum Application Form in a Fixed Price Offer.

As the Offer Price is mentioned in the Fixed Price Offer 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 authorizing blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date. In a fixed price Offer, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Bidders; and remaining to (i) individual investors other than Retail Individual Bidders; 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

7.1 Basis of Allotment

The Allotment of Equity Shares to Bidders other than Retail Individual Investors may be on proportionate basis. For Basis of Allotment to Bidders may refer to DRHP. 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 Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

Allotment will be made in consultation with BSE SME (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

- (a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of Bidders in the category x number of Shares applied for).
- (b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- (c) For applications where the proportionate allotment works out to less than [.] Equity Shares the allotment will be made as follows:
 - i. Each successful Bidder shall be allotted [.] Equity Shares;
 - ii. The successful Bidders out of the total Bidders for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
- (d) If the proportionate allotment to an Bidder works out to a number that is not a multiple of [.] Equity Shares, the Bidder would be allotted Shares by rounding off to the lower nearest multiple of [.] Equity Shares subject to a minimum allotment of [.] Equity Shares.
- (e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares for allocation shall be first adjusted against

any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidders in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of Bidders applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of [.] Equity Shares, results in the actual allotment being higher than the shares Issued, the final allotment may be higher at the sole discretion of the Board of Directors, up-to 110% of the size of the Issue specified under the Capital Structure mentioned in this Prospectus.

(f) The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for Retail Individual Bidders as described below:

- i. As per Regulation 43(4) of the SEBI (ICDR) Regulations, as the Retail Individual Investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
- ii. Remaining to Individual Bidders other than retail individual investors and Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- iii. The unsubscribed portion in either of the categories specified in (a) or (b) above may be available for allocation to the Bidders in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ` 2,00,000. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with SME Platform of BSE.

The Executive Director / Managing Director of BSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

As per the RBI regulations, OCBs are not permitted to participate in the Issue. There is no reservation for Non Residents, NRIs, FPIs and foreign venture capital funds and all Non Residents, NRI, FPI and Foreign Venture Capital Funds Bidders will be treated on the same basis with other categories for the purpose of allocation.

7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- a. **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
- b. **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. **Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**
- c. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Issue.
- d. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- e. Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Bidders Depository Account will be completed within 5 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Bidder's depository account is completed within 5 Working Days of the Issue Closing Date,

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working Days of the Issue Closing Date.

8.2 GROUNDS FOR UNBLOCKING OF FUNDS

8.2.1 Non Receipt of Listing Permission

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The Designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalized.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith initiate action to unblock the application amount from the Investors accounts.

If such money is not repaid within the eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of Companies Act, and disclosed in the Prospectus.

8.2.2 Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

As per Section 39 of Companies Act, 2013 if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our company does not receive the 100% subscription of the Issue through the Issue Document including devolvement of underwriters, if any, within sixty (60) days from the date of closure of the issue, our company shall forthwith unblocked the entire application amount received. If there is a delay beyond eighty days after our company becomes liable to pay the amount, our company and every officer in default will, on and from the expiry of this period be jointly and severally liable to repay the money, with interest or other penalty as prescribed under SEBI Regulations, the Companies Act, 2013.

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50 no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked within 6 working days of closure of the issue.

Further in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than `100000/- (Rupees One Lakh) per application.

The equity shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be Issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance without the applicable laws of such jurisdiction.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be unblocked forthwith.

8.3 Mode of Unblocking of Funds

Within 6 Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

8.3.1 Mode of making refunds for Bidders

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Issue.

8.4 Interest In Case Of Delay in Allotment

The Issuer may pay interest at the rate of 15% per annum if demat credits are not made to Bidders or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 Working days of the Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 working days from the Issue Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders
Allottee	An Bidder to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Application	An indication to make an Issue during the Issue Period by a prospective pursuant to submission of Bid cum Application Form or during the Anchor Investor Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price including all revisions and modifications thereto.
Bid cum Application Form	The form in terms of which the Bidder should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue

Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Bidders to make a Application authorizing an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Application Amount of the ASBA Bidder
ASBA Application	An Application made by an ASBA Bidder
Bidder	Prospective Bidders in the Issue who apply through ASBA
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders under the Issue
Book Running Lead Manager / BRLM	The Book Running Lead Manager to the Issue as disclosed in the Prospectus and the Bid cum Application Form of the Issuer.
Bid	An indication to make an Issue during the Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto.
Issue Closing Date	The date after which the SCSBs may not accept any application for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders may refer to the Prospectus for the Issue Closing Date
Issue Opening Date	The date on which the SCSBs may start accepting application for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders may refer to the Prospectus for the Issue Opening Date
Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Bidders (other than Anchor Investors) can submit their Application, inclusive of any revisions thereof. The Issuer may consider closing the Issue Period for QIBs one working day prior to the Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Bidders may refer to the Prospectus for the Issue Period
Application Amount	The value indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Application (except for Anchor Investors), less discounts (if Applicable).
Bid cum Application Form	The form in terms of which the Bidder should make an Issue to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Red Herring Prospectus, whether applying through the ASBA or otherwise.
Bidder	Any prospective investor (including an ASBA Bidder) who makes a Application pursuant to the terms of the Prospectus and the Bid cum Application Form. In case of issues undertaken through the book building process, all references to a Bidder should be construed to mean an Bidder
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders under the Issue

Bid	An indication to make an Issue during the Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto.
Issue Closing Date	The date after which the SCSBs may not accept any application for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders may refer to the Prospectus for the Issue Closing Date
Issue Opening Date	The date on which the SCSBs may start accepting application for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders may refer to the Prospectus for the Issue Opening Date
Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Bidders (other than Anchor Investors) can submit their Application, inclusive of any revisions thereof. The Issuer may consider closing the Issue Period for QIBs one working day prior to the Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Bidders may refer to the Prospectus for the Issue Period
Application Amount	The value indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Application (except for Anchor Investors), less discounts (if applicable).
Bid cum Application Form	The form in terms of which the Bidder should make an Issue to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Red Herring Prospectus, whether applying through the ASBA or otherwise.
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009,
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders can submit the Bid cum Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI

DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by the ASBA Bidders applying through the ASBA and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/RecognisedIntermediaries .
Designated CDP Locations	Such locations of the CDPs where Bidder 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 websites of the Stock Exchange i.e. www.bseindia.com
Designated RTA Locations	Such locations of the RTAs where Bidder 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 websites of the Stock Exchange i.e. www.bseindia.com
Designated Date	The date on or after which funds are transferred by the SCSBs to the Public Issue Account of the Issuer.
Designated Stock Exchange	The designated stock exchange as disclosed in the Red Herring Prospectus of the Issuer
Designated Intermediaries /Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Issue
Discount	Discount to the Issue Price that may be provided to Bidders in accordance with the SEBI ICDR Regulations, 2009.
Red Herring Prospectus	The Red Herring Prospectus filed with SEBI in case of Book Built Issues and which may mention a price
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoter. For further details Bidder may refer to the Prospectus
Equity Shares	Equity shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
First Bidder	The Bidder 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
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public Issueing
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 Issueing
Issue	Public Issue of Equity Shares of the Issuer including the Issue for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public Issueing/further public Issueing as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager (s)
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Application Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Application Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Bidders, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Applied for Equity Shares for an amount of more than Rs. 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs, FPIs and FVCIs

OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Issue for Sale	Public Issue of such number of Equity Shares as disclosed in the Prospectus through an Issue for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual Bidders other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager (s), finalize the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 32 of the Companies Act, 2013 read with section 26 of Companies Act 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTA	Registrar to the Issue and Share Transfer Agent
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the Prospectus and 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 category of eligible Bidders as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than Rs. 200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than Rs. 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 Bidder in an issue through Book Building process to modify the quantity of Equity Shares and/or bid price indicates 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 Issues the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/ SE	The stock exchanges as disclosed in the Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager (s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Issue (excluding Application from ASBA Bidders)
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the Prospectus
Underwriters	The Book Running Lead Manager (s)
Underwriting Agreement	The agreement dated August 11, 2017 entered into between the Underwriters and our company.
Working Day	Any day, other than 2nd and 4th Saturday of the month, Sundays or public holidays, on which commercial banks in India are open for business, provided however, with reference to announcement Issue Period, “Working Days” shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government 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. Foreign investment is allowed up to 100% under automatic route in our Company.

India's current Foreign Direct Investment ("FDI") Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GOI ("DIPP") by circular of 2015, with effect from May 12, 2015 ("Circular of 2015"), consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The Government usually updates the consolidated circular on FDI Policy once every Year and therefore, Circular of 2015 will be valid until the DIPP issues an updated circular.

The transfer of shares by an Indian resident to a Non-Resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI. Further, in terms of the Consolidated FDI Policy, prior approval of the RBI shall not be required for transfer of shares between an Indian resident and person not resident in India if conditions specified in the Consolidated FDI Policy have been met. The transfer of shares of an Indian company by a person resident outside India to an Indian resident, where pricing guidelines specified by RBI under the foreign exchange regulations in India are not met, will not require approval of the RBI, provided that (i) the original and resultant investment is in line with Consolidated FDI policy and applicable foreign exchange regulations pertaining to inter alia sectoral caps and reporting requirements; (ii) the pricing is in compliance with applicable regulations or guidelines issued by SEBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

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

The above information is given for the benefit of the Applicants. Our Company and the 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 Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

The regulations contained in Table 'F' of the First Schedule to the Companies Act, 2013 shall not apply to the Company, except in so far as they are embodied in the following Articles, which shall be regulations for the management of the Company.

1. Interpretations:

1.1 In the interpretation of these Articles, the following words and expressions shall have the meanings assigned hereunder, unless repugnant to the subject matter or context thereof:

Act	Means the Companies Act, 2013 and any statutory modification or re-enactment thereof for the time being in force and Companies Act, 1956 (to the extent not repealed/ not replaced by the Companies Act, 2013), as applicable.
Articles or these Articles	Means the articles of association of the Company, as amended from time to time.
Annual General Meeting	Means a general meeting of the members held in accordance with the provisions of Section 96 of the Act or any adjourned meeting thereof.
Auditors	Means and include those persons appointed as such for the time being by the Company or, where so permitted by Applicable Law, by its Board
Applicable Law	Means the Act, and as appropriate, includes any statute, law, listing agreement, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications or other governmental instruction or any similar form of decision of, or determination by, or any interpretation or administration having the force of law of any of the foregoing, by any governmental authority having jurisdiction over the matter in question, or mandatory standards as may be applicable from time to time.
Beneficial Owner	Means and include beneficial owner as defined in clause (a) sub-Section (1) of Section 2 of the Depositories Act, 1996.
Board Meeting	Means a meeting of the Directors or a committee thereof, duly called and constituted.
Board or Board of Directors or the Board	Means the board of Directors for the time being of the Company
Chairperson	Shall mean the Person who acts as a chairperson of the Board of the Company
Committee	Means any committee of the Board of Directors of the Company formed as per the requirements of Act or for any other purpose as the Board may deem fit
Company or This Company	Means S.K. Masala and Foods Limited
Chief Executive Officer	Means an officer of a Company, who has been designated as such by the Company
Chief Financial Officer	Means a person appointed as the Chief Financial Officer of a Company
Company Secretary or	Means a company secretary as defined in clause (c) of sub-Section (1) of section

Secretary	2 of the Company Secretaries Act, 1980 (56 of 1980) who is appointed by the Company to perform the functions of a company secretary under the Act
Debenture	Includes debenture-stock, bonds and any other debt securities of the Company, whether constituting a charge on the assets of the Company or not.
Depositories Act	Shall mean the Depositories Act, 1996 and includes any statutory modification or enactment thereof
Depository	Shall mean a Depository as defined in clause (e) sub-section (1) of section 2 of the Depositories Act, 1996 and includes a company formed and registered under the Companies Act, 1956 which has been granted a certificate of registration under sub Section (1A) of section 12 of the Securities and Exchange Board of India Act, 1992.
Director	Means a director of the Company for the time being, appointed as such.
Dividend	Includes interim dividend.
Extraordinary General Meeting	Means an extraordinary general meeting of the Members duly called and constituted and any adjourned meeting thereof.
Financial Year	Means the same as in Section 2(41) of the Act
Free Reserves	Means such reserves which, as per the latest audited balance sheet of a company, are available for distribution as Dividend: Provided that— (i) any amount representing unrealized gains, notional gains or revaluation of assets, whether shown as a reserve or otherwise, or (ii) any change in carrying amount of an asset or of a liability recognized in equity, including surplus in profit and loss account on measurement of the asset or the liability at fair value, shall not be treated as free reserves
In writing or written	Means and include printing, typing, lithographing, computer mode and other modes of reproducing words in visible form
Independent Director	Means a Director fulfilling the criteria of independence and duly appointed as per Applicable Law.
Key Managerial Personnel	Means such persons as defined in Section 2(51) of Act
Managing Director	Means a Director who, by virtue of the Articles of the Company or an agreement with the Company or a resolution passed in its General Meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a Director occupying the position of managing Director, by whatever name called.
General Meeting	Means a meeting of Members of the Company.
Members	Member in relation to the Company, means- (a) the subscribers to the Memorandum of Association of the Company who shall be deemed to have agreed to become members of the company, and on its registration, shall be entered as member in its register of members, (b) every other person who agrees in writing to become a member of the Company and whose name is entered in the register of members of the Company; (c) every person holding shares in the Company and whose name is entered in as a Beneficial Owner in the records of a Depository.
Memorandum or Memorandum of Association	Means the memorandum of association of the Company, as amended from time to time.

Month	Means a calendar month
Ordinary Resolution	Means a resolution referred to in Section 114 of the Act.
Persons	Includes any artificial juridical person, corporations or such other entities as are entitled to hold property in their own name.
Postal Ballot	Means voting by post through postal papers distributed amongst eligible voters and shall include voting by electronic mode or any other mode as permitted under Applicable Law
Register of Beneficial Owners	Means the register of members in case of shares held with a Depository in any media as may be permitted by law, including in any form of electronic mode
Register of Members	Means the register of Members, including any foreign register which the Company may maintain pursuant to the Act and includes Register of Beneficial Owners.
Registrar	Means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated
Seal	Means the common seal, if any, adopted for the time being of the Company
Section	Means the relevant section of the Act; and shall, in case of any modification or re-enactment of the Act shall be deemed to refer to any corresponding provision of the Act as so modified or reenacted.
Securities	Means Shares, Debentures and/or such other securities as may be treated as securities under Applicable Law.
Shares	Means the shares into which the Share Capital of the Company is divided.
Share Capital or Capital	Means the share capital for the time being raised or authorized to be raised, for the purpose of the Company
Special Resolution	Means a resolution referred to in Section 114 of the Act.
These Presents	Means the Memorandum of Association and the Articles of Association of the Company.

1.2 Expressions not specifically defined in these Articles shall bear the same meaning as assigned to the them in the Act.

1.3 In the interpretation of these Articles,

- (a) any reference to the singular shall include the plural and vice-versa; and
- (b) any references to the masculine, the feminine and the neuter shall include each other.

1.4 The marginal notes hereto shall not affect the construction of these Articles.

SHARE CAPITAL, INCREASE AND REDUCTION OF CAPITAL

Amount of Capital

2. The Authorized Share Capital of the Company shall be such as may be specified from time to time in Clause V of the Memorandum of Association, with power to increase and reduce the Capital of the Company and to divide the Shares in the Capital for the time being into several classes as permissible in Applicable Law and

to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by the Board, and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions.

Increase of Capital by the Company

3. Subject to Applicable Law, the Board may, from time to time, increase the paid-up Share Capital by creation of new Shares. Such increase shall be of such aggregate amount and to be divided into such Shares of such respective amounts, as the resolution of the Board shall prescribe. Subject to the provisions of the Act, any Shares of the original or increased Share Capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the Board shall determine, and in particular, such Shares may be issued with a preferential or qualified right to dividends, or otherwise, or with a right to participate in some profits or assets of the Company, or with such differential or qualified right of voting at General Meetings of the Company, as permitted in terms of Section 47 of the Act or other Applicable Law.

New Capital part of the existing Capital

4. Except in so far as otherwise provided in the conditions of issue of Shares, any Capital raised by the creation of new Shares shall be considered as part of the existing Capital, and shall be subject to provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

Issue of redeemable preference shares

5. Subject to the provisions of Section 55 of the Act and these Articles, the Company shall have the power to issue redeemable preference Shares liable to be redeemed at the option of the Company and the resolution authorizing such issues shall prescribe the manners, terms and conditions of redemption.

Provisions applicable to any other Securities

6. The Board shall be entitled to issue, from time to time, subject to Applicable Law, any other Securities, including Securities convertible into Shares, exchangeable into Shares, or carrying a warrant, with or without any attached Securities, carrying such terms as to coupon, returns, repayment, servicing, as may be decided by the terms of such issue. Such Securities may be issued at premium or discount, and redeemed at premium or discount, as may be determined by the terms of the issuance: Provided that the Company shall not issue any Shares or Securities convertible into Shares at a discount.

Reduction of Capital

7. The Company may, subject to the provisions of Section 66 of the Act or any other Applicable Law for the time being in force, by way of Special Resolution reduce its Share Capital, any capital redemption reserve account or share premium account in any manner for the time being authorized by law.

Sub-division, consolidation and cancellation of Shares

8. Subject to the provisions of the Act, the Company in General Meeting may, from time to time, sub-divide or consolidate its Shares, or any of them, and the resolution where by any share is sub-divided, may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend or otherwise over or as compared with the others. Subject as aforesaid the Company in General Meeting may also cancel Shares which have not been

taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Variation of rights

9. Whenever the Share Capital is divided into different types or classes of shares, all or any of the rights and privileges attached to each type or class may, subject to the provisions of Sections 48 of the Act, be varied with the consent in writing by holders of at least three-fourths of the issued Shares of the class or is confirmed by a Special Resolution passed at a separate Meeting of the holders of Shares of that class and all the provisions hereinafter contained as to General Meetings shall mutatis mutandis apply to every such class Meeting.

Further issue of Capital

10. Where at any time it is proposed to increase the subscribed Capital of the Company by allotment of further Shares, then:
 - 10.1. Such further Shares shall be offered to the persons who on the date of the offer, are holders of the equity shares of the Company, in proportion as nearly as circumstances admit, to the Capital paid-up on those shares at the date.
 - 10.2. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.
 - 10.3. 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 favor of any other person and the notice referred to in Article 10.2 hereof shall contain a statement of this right.
 - 10.4. After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the interest of the Company.
11. Notwithstanding anything contained in the Article 10, the further Shares aforesaid may be offered in any manner whatsoever, to:
 - 11.1. employees under a scheme of employees' stock option scheme;
 - 11.2. to any persons on private placement or on preferential basis, whether or not those persons include the persons referred to Article 10, either for cash or for a consideration other than cash, if so decided by a Special Resolution, as per Applicable Law.;
12. Nothing contained in these Articles shall apply to the increase of the subscribed Capital of the Company caused by the exercise of an option attached to the Debenture issued or loan raised by the Company to convert such Debentures or loans into Shares in the Company:

Provided that the terms of issue of such Debentures or the terms of such loans 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.

Shares at the disposal of the Directors

13. Subject to the Applicable Law, the Securities of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and 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 or other Securities 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 the General Meeting.

Power to issue Shares outside India

14. Pursuant to the provisions of Applicable Law and subject to such approvals, permissions and sanctions as may be necessary from the Government of India, Reserve Bank of India and/or any other authorities or institutions as may be relevant (hereinafter collectively referred to as “**Appropriate Authorities**”) and subject to such terms and conditions or such modifications thereto as may be prescribed by them in granting such approvals, permissions and sanctions, the Company will be entitled to issue and allot in the international capital markets, Equity Shares and/or any instruments or securities (including Global Depository Receipts) representing Equity Shares, any such instruments or securities being either with or without detachable Warrants attached thereto entitling the Warrant holder to Equity Shares/instruments or Securities (including Global Depository Receipts) representing Equity Shares, (hereinafter collectively referred to as “the Securities”) to be subscribed to in foreign currency / currencies by foreign investors(whether individuals and/or bodies corporate and/or institutions and whether shareholders of the Company or not) for an amount, inclusive of such premium as may be determined by the Board. Such issue and allotment to be made on such occasion or occasions, at such value or values, or at a premium and in such form and in manner and on such terms and conditions or such modifications thereto as the Board may determine in consultation with Lead Manager and/or Underwriters and/or Legal or other Advisors, or as may be prescribed by the Appropriate Authorities while granting their approvals, permissions and sanctions as aforesaid which the Board be and is hereby authorized to accept at its sole discretion. The provisions of this Article shall extend to allow the Board to issue such foreign Securities, in such manner as may be permitted by Applicable Law.

Acceptance of Shares

15. Any application signed by or on behalf of an applicant, for Shares in the Company, followed by an allotment of any Share shall be an acceptance of shares within the meaning of these Articles and every person who, does or otherwise accepts Shares and whose name is on the Register of Members shall for the purpose of these Articles, be a member.

Deposit and call to be a debt payable immediately

16. The money (if any) which the Board shall, on the allotment of any Share being made by them require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them shall

immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

Liability of Members

17. Every member, or his heirs, executors or administrators shall pay to the Company the portion of the Capital represented by his Share(s) which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.

Shares not to be held in trust

18. Except as required by law, no person shall be recognized by the Company as holding any Share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any Share, or any interest in any fractional part of a Share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder.

The first named joint holder deemed to be sole holder

19. If any Share stands in the names of two or more persons, the person first named in the register shall, as regards receipt of dividends or bonus or service of notice and all or any earlier matter connected with the Company, except voting at meetings, be deemed the sole holder thereof, but the joint holders of a Share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such Shares for all incidents thereof according to the Company's regulations.

Register of Members and index

20. The Company shall maintain a Register of Members and index in accordance with Section 88 of the Act. The details of shares held in physical or dematerialized forms may be maintained in a media as may be permitted by law including in any form of electronic media.
21. A member, or other Security holder or Beneficial Owner may make inspection of Register of Members and annual return. Any person other than the Member or Debenture holder or Beneficial Owner of the Company shall be allowed to make inspection of the Register of Members and annual return on payment of Rs. 50 or such higher amount as permitted by Applicable Law as the Board may determine, for each inspection. Inspection may be made during business hours of the Company during such time, not being less than 2 hours on any day, as may be fixed by the Company Secretary from time to time.
22. Such person, as referred to in Article 21 above, may be allowed to make copies of the Register of Members or any other register maintained by the Company and annual return, and require a copy of any specific extract therein, on payment of Rs. 10 for each page, or such higher amount as permitted under Applicable Law.

Foreign Registers

23. The Company may also keep a foreign register in accordance with Section 88 of the Act containing the names and particulars of the Members, Debenture holders, other Security holders or Beneficial Owners

residing outside India; and the Board may (subject to the provisions of aforesaid Section) make and vary such regulations as it may think fit with respect to any such register.

SHARES CERTIFICATES

Share certificate to be numbered progressively and no Share to be subdivided

24. The shares certificates shall be numbered progressively according to their several denominations specify the shares to which it relates and bear the Seal, if any, of the Company and except in the manner hereinbefore mentioned, no Share shall be sub-divided. Every forfeited or surrendered Share certificate shall continue to bear the number by which the same was originally distinguished.

Provided however that the provision relating to progressive or distinctive numbering of shares shall not apply to the shares of the Company which are dematerialized or may be dematerialized in future or issued in future in dematerialized form.

Limitation of time for issue of certificates

25. Every Member, other than a Beneficial Owner, shall be entitled, without payment, to one or more certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates each for one or more of such Shares and the Company shall complete and have ready for delivery of such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide or within one months 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 certificates of Shares shall be under the Seal, if any, of the Company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and the amount paid-up thereon and shall be in such form as the Directors may prescribe and approve, provided that in respect of a Share(s) held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holders.

Issue of new certificate in place of one defaced, lost or destroyed

26. If any certificate be worn out, defaced, mutilated, old/ or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation then upon production and surrender such certificate to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating the evidence produced as the Board deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued in case of splitting or consolidation of Share certificate(s) or in replacement of Share certificate(s) that are defaced, mutilated, torn or old, decrepit or worn out without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50 for each certificate) as the Directors shall prescribe.

Further, no duplicate certificate shall be issued in lieu of those that are lost or destroyed, without the prior consent of the Board and only on furnishing of such supporting evidence and/or indemnity as the Board may require, and the payment of out-of-pocket expenses incurred by the Company in investigating the evidence

produced, without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50 for each certificate) as the Directors shall prescribe.

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 rules made under Securities Contracts (Regulation) Act, 1956, as amended or any other Act, or rules applicable thereof in this behalf; Provided further that the Company shall comply with the provisions of Section 46 of the Act and other Applicable Law, in respect of issue of duplicate Share certificates.

27. The provision of this Article shall *mutatis mutandis* apply to issue of certificates of Debentures of the Company

BUY BACK OF SECURITIES BY THE COMPANY

28. Notwithstanding anything contained in these Articles but subject to the provisions of the Act and other Applicable Law as prescribed by Securities and Exchange Board of India (SEBI) or any other authority for the time being in force, the Company may purchase its own Shares or other specified Securities. The power conferred herein may be exercised by the Board, at any time and from time to time, where and to the extent permitted by Applicable Law, and shall be subject to such rules, applicable consent or approval as required.

UNDERWRITING AND BROKERAGE

Commission may be paid

29. Subject to the provisions of the Act and other Applicable Law, and subject to the applicable SEBI guidelines and subject to the terms of issue of the Shares or Debentures or any Securities, as defined in the Securities Contract (Regulations) Act, 1956, the Company may, at any time pay a commission out of proceeds of the issue or profit or both to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or Debentures of the Company, or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for Shares, Debentures or of the Company but so that the commission shall not exceed in the case of shares, five per cent of the price at which the Shares are issued, and in the case of Debentures, two and a half per cent of the price at which the Debentures are issued or at such rates as may be fixed by the Board within the overall limit prescribed under the Act or Securities and Exchange Board of India Act, 1992. Such commission may be satisfied by payment in cash or by allotment of fully or partly paid Shares, Securities or Debentures or partly in one way and partly in the other.

Brokerage

30. The Company may, subject to Applicable Law, pay a reasonable and lawful sum for brokerage to any person for subscribing or procuring subscription for any Securities, at such rate as approved by the Directors.

CALL ON SHARES

Directors may make calls

31. The Board of Directors may, from time to time and subject to the terms on which Shares have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, or otherwise as permitted by Applicable Law make such call as it thinks fit upon the Members in respect of all moneys unpaid on the Shares held by them respectively, and each Member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board of Directors. A call may be made payable in instalments.

Notice of calls

32. Each Member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his Shares.
33. A call may be revoked or postponed at the discretion of the Board.

Calls to date from resolution

34. A call shall be deemed to have been made at the time when the resolution authorizing such call was passed as provided herein and may be required to be paid by instalments.

Directors may extend time

35. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, but no member shall be entitled to such extension save as a member of grace and favor.

Calls to carry interest

36. If any member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such percentage as the Board of Directors may determine. Nothing in this Article shall render it obligatory for the Board of Directors to demand or recover any interest from any such member.
37. The Board shall be at liberty to waive payment of any such interest wholly or in part.

Sums deemed to be calls

38. Any sum, which may by the terms of issue of a Share become payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable, on the date on which by the terms of issue the same becomes payable and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.

Proof on trial of suit for money due on Shares

39. At the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the Member, in respect of whose Shares, the money is sought to be recovered appears entered on the Register of Members as the holder, at or subsequently to the date at which the money is sought to be recovered, is alleged to have become due on the Shares in respect of such

money is sought to be recovered, that the resolution making the call is duly recorded in the Minutes Book, and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made duly convened or constituted nor any other matters whatsoever, but the proof of the matter aforesaid shall be conclusive evidence of the debt.

Partial payment not to preclude forfeiture

40. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his Shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

Payment in anticipation of call may carry interest

41. 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, 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.
42. The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debenture or other Securities of the Company.

LIEN

Company to have lien on Shares

43. The Company shall have a first and paramount lien upon all the Shares/ Debentures/Securities (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/Securities and no equitable interest in any Shares shall be created except upon the footing, and upon the condition that this Article will have full effect and any such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares/Debentures/Securities:

Provided that, fully paid shares shall be free from all lien and that in case of partly paid shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

As to enforcing lien by sale

44. For the purpose of enforcing such lien, the Board may sell the Shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Shares and may authorize one of their number to execute a transfer thereof on behalf of and in the name of such

member. The purchaser of such transferred Shares shall be registered as the holder of the Shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

45. No sale shall be made unless a sum in respect of which the lien exists is presently payable or until the expiration of fourteen days after a notice in writing of the intention to sell shall have been served on such Member or his representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

Application of proceeds of sale

46. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Shares before the sale) be paid to the persons entitled to the Shares at the date of the sale.

FORFEITURE OF SHARE

If call or installment not paid notice may be given

47. If any member fails to pay any call or installment on or before the day appointed for the payment of the same, the Board may, at any time thereafter during such time as the call or installment remains unpaid, serve notice on such Member 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

48. The notice shall:

- 48.1. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
48.2. shall detail the amount which is due and payable on the Shares and shall state that in the event of non-payment at or before the time appointed, the Shares will be liable to be forfeited.

If notice not complied with, Shares may be forfeited

49. If the requisitions of any such notice as aforesaid be not complied with, any Shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or instalments, interest and expenses, due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited Shares and not actually paid before the forfeiture.

Notice of forfeiture to a Member

50. When any Shares shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated, by any omission to give such notice or to make any such entry as aforesaid.

Forfeited Share to become property of the Company

51. Any Share so forfeited shall be deemed to be the property of the Company, and the Board may sell, re-allot or otherwise dispose of the same in such manner as think fit.

Power to annul forfeiture

52. 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 upon such conditions as it thinks fit.

Liability on forfeiture

53. Any Member whose Shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, 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 the forfeiture of the payment, at such rate as the Board may determine and the Board may enforce the payment thereof, if it thinks fit. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the Shares.

Effect of forfeiture

54. The forfeiture of a Share involves extinction, at the time of the forfeiture, of all interest and 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 by these Articles are expressly saved.

Evidence of forfeiture

55. A duly verified declaration in writing that the declarant is a Director, the manager or the secretary of the Company, and that certain Shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Shares.

Cancellation of Share certificate in respect of forfeited shares

56. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect, and the Directors, shall be entitled to issue a duplicate certificate or certificates in respect of the said Shares to the person or persons, entitled thereto as per the provisions herein.
- 56.1. The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer of the Share in favor of the person to whom the Share is sold or disposed of.
- 56.2. The transferee shall thereupon be registered as the holder of the Share; and
- 56.3. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

These Articles to apply in case of any non-payment

57. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

EMPLOYEES STOCK OPTIONS

58. Subject to the provisions of Section 62 of the Act and the Applicable Law, the Company may issue options to the any Directors, not being Independent Directors, officers, or employees of the Company, its subsidiaries or its parent, which would give such Directors, officers or employees, the benefit or right to purchase or subscribe at a future date, the Securities offered by the Company at a predetermined price, in terms of schemes of employee stock options or employees share purchase or both: Provided that it will be lawful for such scheme to require an employee, officer, or Director, upon leaving the Company, to transfer Securities acquired in pursuance of such an option/scheme, to a trust or other body established for the benefit of employees of the Company.

POWER TO ISSUE SWEAT EQUITY SHARES

59. Subject to and in compliance with Section 54 and other Applicable Law, the Company may issue equity Shares to its employees or Director(s) at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called.

PREFERENTIAL ALLOTMENT

60. Subject to the provisions of Section 62 the Act, read with the conditions as laid down in the Applicable Law, and if authorized by a Special Resolution passed in a General Meeting, the Company may issue Shares, in any manner whatsoever, by way of a preferential offer or private placement. Such issue on preferential basis or private placement should also comply with the conditions as laid down in Section 42 of the Act and/or Applicable law.

CAPITALIZATION OF PROFITS

61. The Company in General Meeting may, upon the recommendation of the Board, resolve:
- 61.1. that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts (including capital redemption reserve account), or to the credit of the profit and loss account, otherwise available for distribution or securities premium account; and
 - 61.2. that such sum be accordingly set free for distribution in the manner specified in 61.1 amongst the members who would have been entitled thereto, if distributed by way of Dividend and in the same proportions.
62. The sum aforesaid shall not be paid in cash but shall be applied, subject to applicable provisions contained herein, either in or towards:
- 62.1. paying up any amounts for the time being unpaid on any Shares held by such Members respectively;
 - 62.2. paying up in full, unissued Shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such Members in the proportions aforesaid;
 - 62.3. partly in the way specified in Article 62.1 and partly in that specified in Article 62.1;
 - 62.4. The Board shall give effect to the resolution passed by the members of the Company in pursuance of this Article.
 - 62.5. Whenever such a resolution as aforesaid shall have been passed, the Board shall—
 - 62.5.1. make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and
 - 62.5.2. generally, do all such acts and things required to give effect thereto.
63. For the purpose of giving effect to any resolution under Articles 61 and 62, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient.

TRANSFER AND TRANSMISSION OF SHARES

Register of transfers

64. The Company shall keep a register to be called the 'Register of Transfers', and therein shall be fairly and directly entered particulars of every transfer or transmission of any Share. Entries in the register should be authenticated by the secretary of the Company or by any other person authorized by the Board for the purpose, by appending his signature to each entry.

Instruments of transfer

65. The instrument of transfer shall be in writing and duly stamped and in such form as may be prescribed under the Act from time to time and all provisions of Section 56 of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of Shares and registration thereof.

To be executed by transferor and transferee

66. Every such instrument of transfer shall be executed both by transferor and the transferee and the transferor shall be deemed to remain the holder of such Shares until the name of the transferee shall have been entered in the Register of Members in respect thereof. The Board shall not issue or register a transfer of any Share in favor of a minor (except in cases when they are fully paid up).
67. Application for the registration of the transfer of a Share may be made either by the transferee or the transferor. Where an application is made by the transferor and relates to partly paid up shares, no registration shall be effected unless the Company gives notice of the application to the transferee subject to the provisions of these Articles, Section 56 of the Act and other Applicable Law, and the transferee gives no objection to the transfer within two weeks from the receipt of the notice. In the event of non-receipt of any objection from the transferee within the period of two weeks as aforesaid, the Company shall enter in the Register the name of transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee.

Transfer books when closed

68. Subject to the applicable provisions of the Act, SEBI Regulations and these Articles, the Board shall have to close the transfer books, the Register of Members, Register of Debenture holders or the Register of other Security holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may deem expedient.

Directors may refuse to register transfer

69. Subject to the provisions of the Act and other Applicable Law, the Board may at its own, discretion, decline to register or acknowledge any transfer of Securities, whether fully paid or not (notwithstanding that the proposed transferee be already a Member), provided in such cases it shall, within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer: Provided that registration of transfer shall not be refused on the ground of the transferor being, either alone or jointly with any person or persons, indebted to the Company on any account whatsoever except where the Company has lien on the Securities.

Directors to recognize Beneficial Owners of securities

70. Notwithstanding anything contained in these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Securities on behalf of a Beneficial Owner.
71. Save as otherwise provided hereinabove, the Depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it, and the Beneficial Owner shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of its Securities held by a Depository.
72. Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears as the Beneficial Owner of the securities in the records of the Depository as the absolute owner thereof and accordingly the Company shall not be bound to recognize any benami, trust or equitable, contingent, future or partial interest in any Security or (except otherwise expressly provided by the Articles) any right in respect of a Security other than an absolute right thereto, in accordance with these Articles on the part of any other person whether or not it shall have express or implied notice thereof.

Nomination

73. Every holder of Shares in, or Debentures of the Company may, at any time, nominate, in the manner prescribed under the Act, a person to whom his Shares in or Debentures of the Company shall vest in the event of death of such holder.
74. Where the Shares in, or Debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or Debentures of the Company, as the case may be, held by them shall vest in the event of death of all joint holders.
75. Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, or in these Articles, in respect of such shares in or Debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in, or Debentures of the Company, the nominee shall, on the death of the shareholders or holder of Debentures of the Company or, as the case may be, on the death of all the joint holders become entitled to all the rights in the shares or Debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under the provisions of the Act.
76. Where the nominee is a minor, it shall be lawful for the holder of the Shares or holder of Debentures to make the nomination to appoint, in the prescribed manner under the provisions of the Act, any person to become entitled to the shares in or Debentures of the Company, in the event of his death, during the minority.

Transmission in the name of nominee

77. Any person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any Security holder, or by any lawful means other than by a transfer in accordance with these Presents, may with the consent of the Board of Directors and subject as hereinafter provided, elect, either:
 - 77.1. to be registered himself as holder of the Securities; or
 - 77.2. to make such transfer of the Securities as the deceased Security holder could have made.

Provided nevertheless that it shall be lawful for the Directors in their absolute discretion to dispense with the production of any evidence including any legal representation upon such terms as to indemnity or otherwise as the Directors may deem fit.

78. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the Share before his death or insolvency.
79. If the nominee, so becoming entitled, elects himself to be registered as holder of the Securities, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased Security holder or proof of lunacy, bankruptcy or insolvency of the Security holder, as the case may be, and the certificate(s) of Securities held by such Security holder in the Company.
80. If the person aforesaid shall elect to transfer the Securities, he shall testify his election by executing a transfer of the Securities.
81. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of Securities shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Security holder had not occurred and the notice or transfer were a transfer signed by that Member.
82. A nominee on becoming entitled to Securities by reason of the death of the holder or joint holders shall be entitled to the same Dividend or interest and other advantages to which he would be entitled if he were the registered holder such Securities, except that he shall not before being registered as holder of such Securities, be entitled in respect of them to exercise any right conferred on a Security holder in relation to meetings of the Company.

No transfer to minor, insolvent etc.

83. No transfer shall be made to a minor or person of unsound mind. However, in respect of fully paid up shares, Securities may be transferred in favor of a minor acting through legal guardian, in accordance with the provisions of Applicable Law.

Transfer to be presented with evidence of title

84. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board of Directors may require to prove the title of the transferor, his right to transfer the Shares and generally under and subject to such conditions and regulations as the Board of Directors shall from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors.

Company not liable for disregard of a notice in prohibiting registration of transfer

85. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effort to any transfer 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, and may have entered such

notice, or deferred 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 book of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Board of Directors shall so think fit.

DEMATERIALISATION OF SECURITIES

Dematerialization of Securities

86. The Board shall be entitled to dematerialize its existing Securities or to offer securities in a dematerialized form pursuant to the Depositories Act, 1996, as amended and the rules framed thereunder, if any.

Options for investors

87. Subject to the Applicable Law, every holder of or subscriber to Securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a person who is a Beneficial Owner of the Securities can at any time opt out of a Depository, if permitted by law, in respect of any Securities held by him in the manner provided by the Depositories Act, 1996, and the Company shall, in the manner and within the time prescribed by law, issue and deliver to the Beneficial Owner, the required certificates for the Securities.

Securities in depositories to be in fungible form

88. All securities held by a Depository shall be dematerialized and be in fungible form.

Service of Documents

89. Notwithstanding anything contained in these Articles to the contrary, where Securities of the Company are held in a Depository, the records of the beneficiary ownership may be served by such Depository on the Company by means of electronic mode

Transfer of securities

90. Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

Allotment of securities dealt with in a Depository

91. Notwithstanding anything contained in these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such Securities.

Register and index of Beneficial Owners

92. The Register and Index of Beneficial Owners maintained by Depository under the Depositories Act, 1996, as amended shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

93. Copies of Memorandum and Articles of Association of the Company shall be furnished to every Member within seven days of his request on payment of an amount as may be fixed by the Board to recover reasonable cost and expenses, not exceeding such amount as fixed under Applicable Law.

BORROWING POWERS

Power to borrow

94. Subject to the provisions of these Articles, the Act and other Applicable Law, the Board may, from time to time, at its discretion, by way of a resolution passed at the meeting of Board, accept deposits from its members or otherwise, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money to be borrowed together with the moneys already borrowed;, or where a power to delegate the same is available, by a decision/resolution of such delegate, provided that the Board shall not without the requisite sanction of the Company in General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the paid up Capital of the Company and its free reserves.

Conditions on which money may be borrowed

95. The Board may raise or secure the repayment 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, or other Securities, or any mortgage, or other Security on the undertaking of the whole or any part of the property of the Company (both present and future including its uncalled capital for the time being.

Terms of issue of Debentures

96. Any Debentures, Debenture stock, bonds or other Securities may be issued on such terms and conditions as the Board may think fit: Provided that Debenture with a right to allotment or conversion into shares shall be issued in conformity with the provisions of Section 62 of the Act. Debentures, Debenture stock, bonds and other Securities may be made assignable free from any equities from the Company and the person to whom it may be issued. Debentures, Debenture- stock, bonds or other securities with a right of conversion into or allotment of shares shall be issued only with such sanctions as may be applicable.

Instrument of transfer

97. Save as provided in Section 56 of the Act, no transfer of Debentures shall be registered unless a proper instrument of transfer duly executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the Debentures: Provided that the Company may issue non-transferable Debentures and accept an assignment of such instruments.

Register of charges, etc.

98. The Board shall cause a proper Register to be kept in accordance with the provisions of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company, and shall cause the requirements of Sections 77 to 87 of the Act, both inclusive of the Act in that behalf to be duly complied with, so far as they are ought to be complied with by the Board.

Register and index of Debenture holders

99. The Company shall, if at any time it issues Debentures, keep register and index of Debenture holders in accordance with Section 88 of the Act. Subject to the Applicable Law, the Company shall have the power to keep in any State or Country outside India, a register of Debenture-stock holders, resident in that State or Country.

GENERAL MEETINGS

100. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year.
101. Every Annual General Meeting shall be called 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, town or village in which the registered office of the Company is situate
102. All General Meetings other than annual general meeting shall be called extraordinary general meeting.
103. In the case of an Annual General Meeting, all businesses to be transacted at the meeting shall be deemed special, with the exception of business relating to:
- 103.1. the consideration of financial statements and the reports of the Board of Directors and Auditors;
 - 103.2. the declaration of any Dividend;
 - 103.3. the appointment of Directors in place of those retiring;
 - 103.4. the appointment of, and the fixing of the remuneration of, the Auditors
104. In case of any other meeting, all business shall be deemed special.
105. The Board may, whenever it thinks fit, call an Extraordinary General Meeting.
106. Where permitted or required by Applicable Law, Board may, instead of calling a meeting of any Members/ class of Members/ Debenture holders, seek their assent by Postal ballot, including e-voting. Such Postal ballot will comply with the provisions of Applicable Law in this behalf.
107. The intent of these Articles is that in respect of seeking the sense of the Members or Members of a class or any Security holders, the Company shall, subject to Applicable Law, be entitled to seek assent of Members, members of a class of Members or any holders of Securities using such use of contemporaneous methods of communication as is permitted by Applicable Law. A written resolution including consent obtained through electronic mode shall be deemed to be sanction provided by the Member, Member of a class or other Security holder by way of personal presence in a meeting.
108. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up Capital as at the date carries the right of voting in regard to the matter in respect of which the requisition has been made.

109. Any meeting called as above by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.

E-voting in case of General Meetings

110. Where the Company conducts General Meetings by way of e-voting, the Company shall follow the procedure laid down under the Act and Applicable Law.
111. Where Member has been allowed the option of voting through electronic mode as per Applicable Law, such Member, or Members, who have voted using the electronic facility, generally, shall be allowed to speak at a General Meeting, but shall not be allowed to vote again at the meeting.

Provided that voting may also be allowed to be case by way of post or any other mode which any Applicable Law may allow.

Notice of General Meetings

112. Subject to the Applicable Law, at least 21 clear days' notice of every General Meeting, specifying the day, date, place and hour of meeting, containing a statement of the business to be transacted thereat, shall be given, either in writing or through electronic mode, to every Member or legal representative of any deceased Member or the assignee of an insolvent Member, every Auditor(s) and Director of the Company.
113. A General Meeting may be called at a shorter notice if consented to by either by way of writing or any electronic mode by not less than 95% of the Members entitled to vote at such meeting.

Quorum at General Meeting

114. No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting proceeds to business.
115. Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Act.
116. If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the meeting, if convened by or upon the requisition of members shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week or to such other day and at such other time and place as the Board may determine subject to Applicable Law and if at such adjourned meeting, a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be quorum and may transact the business for which the meeting was called.

Chairperson at General Meetings

117. The Chairperson, if any, of the Board shall preside as Chairperson at every General Meeting of the Company.
118. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairperson of the meeting, the Directors present shall elect one among themselves to be Chairperson of the General Meeting.

119. If at any meeting no Director is willing to act as Chairperson or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of themselves to be Chairperson of the General Meeting.
120. No business shall be discussed at any General Meeting except the election of a Chairperson, while the chair is vacant.

Adjournment of Meeting

121. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
122. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
123. 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.

Voting rights

124. No member shall be entitled to vote either personally or by proxy, at any General Meeting or Meeting of a class of shareholders 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 has exercised any right of lien.
125. Subject to any rights or restrictions for the time being attached to any class or classes of Shares:
 - 125.1. on a show of hands, every member present in person shall have one vote; and
 - 125.2. on a poll, the voting rights of Members shall be in proportion to his share in the paid-up equity Share Capital of the Company.
 - 125.3. A Member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.
126. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.

127. A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
128. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.

129. No objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such General Meeting shall be valid for all purposes.
130. Any such objection made in due time shall be referred to the Chairperson of the General Meeting, whose decision shall be final and conclusive.

Proxy

131. Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a member may vote by a representative duly authorized in accordance with Section 113 of the Act, and such representative shall be entitled to exercise the same rights and powers (including the rights to vote by proxy) on behalf of the body corporate which he represents as the body could exercise if it were an individual member.
132. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; and in default the instrument of proxy shall not be treated as valid.
133. Every proxy (whether a Member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a body corporate, under the common seal of such corporate, if any, or be signed by an officer or any attorney duly authorized by it, and any committee or guardian may appoint such proxy. An instrument appointing a proxy shall be in the form as prescribed in terms of Section 105 of the Act.
134. A Member present by proxy shall be entitled to vote only on a poll, except where Applicable Law provides otherwise.
135. The proxy so appointed shall not have any right to speak at the General Meeting.
136. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Maintenance of records and Inspection of minutes of General Meeting by Members

137. Where permitted/required by Applicable Law, all records to be maintained by the Company may be kept in electronic form subject to the provisions of the Act and the conditions as laid down in the Applicable Law. Such records shall be kept open to inspection in the manner as permitted by the Act and Applicable Law. The

term 'records' would mean any register, index, agreement, memorandum, minutes or any other document required by the Act and Applicable Law made there under to be kept by the Company.

138. The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
139. Any such minutes shall be evidence of the proceedings recorded therein.
140. The book containing the minutes of proceedings of General Meetings shall be kept at the registered office of the Company and shall be open during business hours, for such periods not being less than 2 hours on any day, as may be fixed by the Company Secretary from time to time, to the inspection of any Member without charge.
141. Any Member of the Company shall be entitled to a copy of minutes of the General Meeting on receipt of a specific request and at a fee of Rs. 10/- (Rupees Ten only) for each page, or such higher amount as the Board may determine, as permissible by Applicable Law.

BOARD OF DIRECTORS

142. Until otherwise determined by a General Meeting and subject to provisions of the Act, the number of directors shall not be less than three or more than fifteen.
143. The Directors are not required to hold any qualification shares.
144. Composition of the Board shall be in accordance with the provisions of Section 149 of the Act and other Applicable Laws. Provided that where there are temporary gaps in meeting the requirements of Applicable Law pertaining to composition of Board of Directors, the remaining Directors shall (a) be entitled to transact business for the purpose of attaining the required composition of the Board; and (b) be entitled to carry out such business as may be required in the best interest of the Company in the meantime.

Board's power to appoint Additional Directors

145. Subject to the provisions of Sections 149, 152 and 161 of the Act and Applicable Laws, the Board shall have power at any time, and from time to time, to appoint a person as an additional Director, provided the number of the Directors and additional Directors together shall not at any time exceed the maximum strength fixed for the Board by these Articles.
146. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act.

Nominee Directors

147. The Company shall, subject to the provisions of the Act and these Articles, be entitled to agree with any Person that he or it shall have the right to appoint his or its nominee on the Board, not being an Independent Director, upon such terms and conditions as the Company may deem fit.

148. Whenever the Company enters into the contract with any government, central, state or local, any bank or financial institution or any person or persons (hereinafter referred to as “**the appointer**”) for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever, the Board shall have, subject to the provisions of the Act, the power to agree that such appointer shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more directors on the Board for such period and upon such conditions as may be mentioned in the agreement and that such director or directors shall not be liable to retire by rotation nor be required to hold any qualification shares. The directors may also agree that any such director or directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may appoint another or others in his or their place and also fill in any vacancy, which may occur as a result of any such director or directors ceasing to hold that office for any reason whatsoever. The directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any privileges and rights exercised and enjoyed by the directors of the Company including payment of remuneration and travelling expenses to such director or directors as may be agreed by the Company with the appointer.

Appointment of Alternate Directors

149. Subject to the provisions of Section 161 of the Act, the Board may appoint an Alternate Director to act for a Director (hereinafter called “**the Original Director**”) during his absence for a period of not less than three months from India. No person shall be appointed as an Alternate Director in place of an Independent Director unless he is qualified to be appointed as an Independent Director under the Act and Applicable Law. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the office of the Original Director is determined before he so returns to India, any provisions in the Act or in these Articles for the automatic reappointment of any retiring Director in default of another appointment shall apply to the Original Director, and not to the Alternate Director.

For the purpose of absence in the Board meetings in terms of Section 167 (1) (b) of the Act, the period during which an Original Director has an Alternate Director appointed in his place, shall not be considered.

Board’s power to fill casual vacancies

150. Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date to which the Director in whose place he is appointed would have held office if it had not been vacated by him.

Independent Directors

151. Subject to the provisions of the Act and other Applicable Law, the Board or any other Committee as per the Act shall identify potential individuals for the purpose of appointment as Independent Director either from the date bank established under Section 150 of Act or otherwise.
152. The Board on receiving such recommendation shall consider the same and propose his appointment for approval at a General Meeting. The explanatory statement to the notice for such General Meeting shall provide all requisite details as required under the Act.

153. Any casual vacancy in the post of an Independent Director caused by way of removal, resignation, death, vacation of office under Section 167 of the Act and Applicable Law or these Articles, removal from Directorship pursuant to any court order or due to disqualification under Section 164 of Act shall be filled by following the process laid down herein below and in accordance with the Applicable Law. No such casual vacancy shall prejudice the functioning of the Board during the intervening period.
154. 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.
155. The Company and Independent Directors are required to abide by the provisions specified in Schedule IV of the Act.
156. An Independent Director shall not be entitled to any stock option and may receive remuneration by way of sitting fee, reimbursement of expenses for participation in the Board and other meetings and also to such commission based on profits, as may, subject to provisions of Applicable Law, be approved by the Members.
157. An Independent Director 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.
158. The provisions relating to retirement of Directors by rotation shall not be applicable to appointment of Independent Directors.

Term of Office of Independent Director

159. Subject to Applicable Law, an Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board of a Company, but shall be eligible for reappointment for one more term on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report.
160. No Independent Director shall hold office for more than 2 (two) consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of 3(three) years of ceasing to become an Independent Director provided that he shall not, during the said period of 3 (three) years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

Retirement and rotation of Directors

161. At least two-thirds of the total number of Directors, excluding Independent Directors, will be the Directors who are liable to retire by rotation (hereinafter called "**the Rotational Directors**").
162. Subject to the provisions of the Act and these Articles, the managing Director and/or the whole-time Director shall not, while he continues to hold that office, be subject to retirement by rotation.
163. At every Annual General Meeting of the Company, one-third of the Rotational Directors, or if their number is not three or a multiple of three, then, the number nearest to one-third, shall retire from office.

164. A retiring Director shall be eligible for re-election.

Resignation of Directors

165. Subject to the provisions of Applicable Law, a Director may resign from his office by giving a notice in writing to the Company and Board shall take note of the same. The fact of such resignation shall be mentioned in the report of Directors laid in the immediately following Annual General Meeting by the Company.

166. A Managing Director or a Whole-time Director or any Executive Director who has any terms of employment with the Company shall not give any notice of resignation in breach of the conditions of employment as may be applicable, either to a Director specifically, or to employees of the Company generally. A nominee Director shall not give any notice of resignation except through the nominating person.

167. 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.

Removal of Directors

168. Any Director of the Company, except the one appointed by the National Company Law Tribunal, may be removed by way of Ordinary Resolution before the expiry of his term of office, subject to the provisions of Section 169 of Act.

Remuneration of Directors

169. Subject to the provisions of Section 197 of the Act, a Director 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.

Provided that where the Company takes a Directors' and Officers' Liability Insurance, specifically pertaining to a particular Director and/or officer, then the premium paid in respect of such insurance, for the period during which a Director and/or officer has been proved guilty, will be treated as part of remuneration paid to such Director and/or officer.

170. The Board or a relevant Committee constituted for this purpose shall seek to ensure that the remuneration paid to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

171. The fees payable to a Director for attending the meetings of the Board or Committee thereof shall be such sum as may be decided by the Board of Directors from time to time within the maximum limit as prescribed under the Act and Applicable Law. Fee shall also be paid for attending any separate meeting of the Independent Directors of the Company in pursuance of any provision of the Act. Fee shall also be payable for participating in meetings through permissible electronic mode.

172. In addition to the remuneration payable pursuant to Section 197 of the Act, the Directors may be paid all conveyance, hotel and other expenses properly incurred by them:

172.1. in attending and returning from meetings of the Board of Directors or any Committee thereof or general meetings of the Company; or

172.2. in connection with the business of the Company.

Directors may act notwithstanding any vacancies on Board

173. The continuing Directors may act notwithstanding any vacancy in their body but if, and so long as their number is reduced below the minimum number fixed by these Articles, the continuing Directors may act for the purpose of increasing the number of Directors to the minimum number fixed by these Articles or for summoning a General Meeting for the purpose increasing the number of Directors to such minimum number, but for no other purpose.

Vacation of office of Director

174. The office of a Director shall ipso facto be vacated:

174.1. on the happening of any of the events as specified in Section 167 of the Act.

174.2. if a person is a Director of more than the number of Companies as specified in the Act at a time;

174.3. in the case of alternate Director, on return of the original Director in terms of Section 161 of the Act;

174.4. having been appointed as a Director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, he ceases to hold such office or other employment in that company;

174.5. if he is removed in pursuance of Section 169 of the Act;

174.6. any other disqualification that the Act for the time being in force may prescribe.

Notice of candidature for office of Directors except in certain cases

175. No person, not being a retiring Director, shall be eligible for appointment to the office of Director at any General Meeting unless he or some Member intending to propose him as a Director, has, not less than fourteen days before the General Meeting, left at the registered office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such Member to propose him as a candidate for that office along with the requisite deposit of Rs. 1,00,000/- (Rupees One Lakh only) or such higher amount as the Board may determine, as permissible by Applicable Law.

176. Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 160 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director, shall sign and file with the Company, the consent in writing to act as a Director, if appointed.

Director may contract with the Company

177. Subject to such sanctions as required by Applicable Law, a Director or any related party as defined in Section 2 (76) of the Act or other Applicable Law may enter into any contract or any arrangement with the Company.

178. Unless so required by Applicable Law, no sanction shall, however, be necessary for any contracts with a related party entered into on arm's length basis. Where a contract complies with such conditions or indicia of arms' length contracts as laid down in a policy on related party transactions framed by the Board in accordance with the Applicable Law, the contract shall be deemed to be a contract entered into on arm's length basis.

Disclosure of interest

179. A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184(2) of the Act; provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other body corporate where the Director of the Company either himself or in association with any other Director hold or holds less than two per cent of the shareholding in such other body corporate.

Interested Director not to participate or vote in Board's proceeding

180. Subject to the provisions of Section 184 of the Act, no Director shall as Director take any part in the discussion of, or vote on any contract or arrangement entered into by or on behalf of the Company, if he is in any way whether directly or indirectly concerned or interested in such 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.

Register of contracts in which Directors are interested

181. The Company shall keep a register of contracts or arrangements in which directors are interested in accordance with the provisions of Act. Such register shall be kept at the registered office of the Company and shall be preserved permanently be kept in the custody of the Company Secretary of the Company or any other person authorized by the Board for the purpose.

182. Such a Register shall be open to inspection at such office, and extracts may be taken therefrom and copies thereof may be provided to a Member of the Company on his request, within seven days from the date on which such request is made and upon the payment of Rs. 10 (Rupees Ten only) per page, as such higher amount as may be laid by the Board, as permitted by Applicable Law.

Register of Directors and Key Managerial Personnel and their shareholding

183. The Company shall keep at its registered office a register containing the particulars of its Directors and Key Managerial Personnel, which shall include the details of Securities held by each of them in the Company or its holding, subsidiary, subsidiary of Company's holding Company or associate companies in accordance to Section 170 of the Act and Applicable Law.

Miscellaneous

184. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

PROCEEDINGS OF THE BOARD

Meetings of Board

185. The Directors may meet together as a Board from time to time for the conduct of the business of the Company, adjourn or otherwise regulate its meetings, as it thinks fit.
186. 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 mode.
187. The notice of the meeting shall inform the Directors regarding the option available to them to participate through electronic mode, and shall provide all the necessary information to enable the Directors to participate through such electronic mode.
188. Certain matters, as may be specified under the Applicable Law from time to time, shall not be dealt with in a meeting of the Board through video conferencing or other audio visual means.
189. 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, or 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.
190. The Board shall so meet at least once in every four months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.
191. Every Director present at any meeting of the Board or of a Committee thereof shall sign his name in a book to be kept for that purpose. The names of Directors who have participated in Board meetings through electronic mode shall be entered and initialled by the Company Secretary, stating the manner in which the Director so participated

Meetings of Board by Video/audio-visual conferencing

192. Subject to the provisions of the Act and Applicable Law, the Directors may participate in meetings of the Board otherwise through physical presence, electronic mode as the Board may from time to time decide and Directors shall be allowed to participate from multiple locations through modern communication equipment for ascertaining the views of such Directors who have indicated their willingness to participate by such electronic mode, as the case may be.

Regulation for meeting through electronic mode

193. The Board may, by way of a resolution passed at a meeting, decide the venues where arrangements may be made by the Company, at the Company's cost, for participation in Board meetings through electronic mode, as the case may be, in accordance to the provisions of the Act and Applicable Law. In case of a place other than such places where Company makes arrangements as above, the Chairperson may decline the right of a

Director to participate through electronic mode in view of concerns of security, sensitivity and confidentiality of Board proceedings. Where the Chairperson so permits a Director to participate from a place other than the designated places where the Company has made the arrangements, the security and confidentiality of the Board proceedings shall be the responsibility of the Director so participating, and the cost and expense in such participation, where agreed to by the Chairperson, may be reimbursed by the Company.

194. Subject as aforesaid, the conduct of the Board meeting where a Director participates through electronic mode shall be in the manner as laid down in Applicable Law.
195. The rules and regulations for the conduct of the meetings of the Board, including for matters such as quorum, notices for meeting and agenda, as contained in these Articles, in the Act and/or Applicable Law, shall apply to meetings conducted through electronic mode, as the case may be.
196. Upon the discussions being held by electronic mode, as the case may be, the Chairperson or the Company Secretary shall record the deliberations and get confirmed the views expressed, pursuant to circulation of the draft minutes of the meeting to all Directors to reflect the decision of all the Directors participating in such discussions.
197. Subject to provisions of Section 173 of the Act and the Applicable Laws, a Director may participate in and vote at a meeting of the Board by means of electronic mode which allows all persons participating in the meeting to hear and see each other and record the deliberations. Where any Director participates in a meeting of the Board by any of the means above, the Company shall ensure that such Director is provided with a copy of all documents referred to during such Board meeting prior to the commencement of this Board Meeting.

When can a meeting be convened

198. The Managing Director or a Director may, and the Manager or Company Secretary upon the requisition of Director(s) shall, at any time, summon a meeting of the Board.

Chairperson for Board Meetings

199. The Board may elect a Chairperson, and determine the period for which he is to hold office. The Managing Director may also be appointed by the Board as the Chairperson.
200. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their numbers to be Chairperson of the meeting.

Quorum

201. The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of the Section 174 of the Act. If a quorum is not present within fifteen minutes from the time appointed for holding a meeting of the Board it shall be adjourned until such date and time as the Chairperson of the Board shall decide.

Exercise of powers to be valid in meetings where quorum is present

202. A meeting of the Board of which a quorum be present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles for the time being vested in or exercisable by the Board, or in accordance with Section 179 of the Act, the powers of the Company.

Matter to be decided on majority of votes

203. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. In case of an equality of votes, the Chairperson of the Board shall have a second or casting vote.

Power to appoint Committee and to delegate powers

204. The Board may, subject to the provisions of the Act, from time to time and at any time delegate any of its powers to committees consisting of such Director or Directors as it thinks fit, and may from time to time revoke such delegation. Unless a power of the Board is not capable of being delegated, such power may be delegated by the Board to any officer or committee of officers as the Board may determine.
205. Any committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board.
206. The meetings and the proceedings of any such Committee consisting of two or more members 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.

Resolution without Board Meeting/ Resolution by Circulation

207. Save as otherwise expressly provided in the Act to be passed at a meeting of the Board and subject to Section 175 of the Act or Applicable Laws, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee of the Board, as the case may be, duly called and constituted, if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee of the Board, as the case may be, at their addresses registered with the Company in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be), and has been approved by a majority of the Directors or members as 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 Board Meeting.

Provided further that where the resolution has been put to vote at a Board Meeting, the consent or dissent of the Directors obtained by way of resolution by circulation shall be rendered void and given effect to.

Acts of Board / Committee valid notwithstanding formal appointment

208. All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of

any provisions contained or in these Articles, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director and had not vacated his office or his appointment had not been terminated; provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

Minutes of proceedings of meeting of Board

209. The Company shall cause minutes of proceedings of every meeting of the Board and Committee thereof to be kept in such form by making within thirty days of the conclusion of every such meeting, entries thereof in the books kept for that purpose with their pages consecutively numbered in accordance to Section 118 of the Act or Applicable Laws.
210. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairperson of the said meeting or the Chairperson of the next succeeding meeting.
211. In no case shall the minutes of proceedings of a meeting be attached to any such book as aforesaid by a pasting or otherwise, if the minutes are kept in physical form.
212. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
213. Where the meeting of the Board takes place through electronic mode, the minutes shall disclose the particulars of the Directors who attended the meeting through such means. The draft minutes of the meeting shall be circulated among all the Directors within fifteen days of the meeting either in writing or in electronic mode as may be decided by the Board and/or in accordance with Applicable Laws.
214. Every Director who attended the meeting, whether personally or through electronic mode, shall confirm or give his comments in writing, if any, about the accuracy of recording of the proceedings of that particular meeting in the draft minutes, within seven days or some reasonable time as decided by the Board, after receipt of the draft minutes failing which his approval shall be presumed.
215. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meetings.
216. The minutes shall also contain:
 - 216.1. The names of the Directors present at the meeting; and
 - 216.2. In the case of each resolution passed at the meeting the names of the Directors, if any, dissenting from or not concurring in the resolution.
217. Nothing contained in these Articles shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairperson of the meeting:
 - 217.1. is, or could reasonably be regarded as defamatory of any person.
 - 217.2. is irrelevant or immaterial to the proceedings; or

- 217.3. is detrimental to the interest of the Company.
218. The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this Article.
219. Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.
220. Any Director of the Company may requisition for physical inspection of the Board Meeting minutes in accordance with the Applicable Law.

Powers of Board

221. The Board may exercise all such powers of the Company and do all such acts, and things as are not, by the Act and Applicable Law made thereunder, or any other Act, or by the Memorandum, or by these Articles of the Company, required to be exercised by the Company in General Meeting subject nevertheless to these Articles, to the provisions of the Act and the Applicable Law made thereunder, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting; but no regulations 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.
222. The Board may subject to Section 186 of the Act and provisions of Applicable Law made thereunder shall by means of unanimous resolution passed at meeting of Board from time to time, invest, provide loans or guarantee or security on behalf of the Company to any person or entity.

Restriction on powers of Board

223. The Board of Directors shall exercise the following powers subject to the approval of Company by a Special Resolution:
- 223.1. 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;
- 223.2. to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation;
- 223.3. to borrow money, where the money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid-up Share Capital and free-reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business;
- 223.4. to remit, or give time for the repayment of, any debt due from a Director.

Contribution to charitable and other funds

224. The Board of Directors of a Company may contribute to bona fide charitable and other funds. A prior permission of the Company in general meeting by way of ordinary resolution shall be required for if the

aggregate of such contributions in a financial year exceeds 5 % (five percent) of its average net profits for the three immediately preceding financial years

Absolute powers of Board in certain cases

225. Without prejudice to the general powers conferred by Section 179(3) of the Act or Applicable Laws and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in these Articles or the Applicable Law, it is hereby declared that the Directors shall have the following powers; that is to say, power:

225.1. To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.

225.2. To pay any interest lawfully payable under the provisions of Section 40 of the Act.

225.3. To act jointly and severally in all on any of the powers conferred on them.

225.4. To appoint and nominate any Person(s) to act as proxy for purpose of attending and/or voting on behalf of the Company at a meeting of any Company or association.

225.5. To comply with the provisions of Applicable Law which in their opinion shall, in the interest of the Company be necessary or expedient to comply with.

225.6. To make, vary and repeal bye-laws for regulation of business of the Company and duties of officers and servants.

225.7. Subject to Sections 179 and 188 of the Act, to purchase or otherwise acquire for the Company any property, 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 Directors may believe or may be advised to be reasonably satisfactory.

225.8. Subject to the provisions of the Act and Applicable Laws, to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in Shares, bonds, Debentures, mortgages, or other securities of the Company, and such Shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon all or any part of the property of the Company and its uncalled Capital or not so charged;

225.9. To secure the fulfilment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled Capital for the Company being or in such manner as they may think fit;

225.10. To accept from any member, as far as may be permissible by law, a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed;

- 225.11. To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular by the issue of Debenture or Debenture stock, perpetual or otherwise charged upon all or any of the Company's property (both present and future).
- 225.12. To open and deal with current account, overdraft accounts with any bank/banks for carrying on any business of the Company.
- 225.13. To appoint any Person (whether incorporated or not) to accept and hold in trust for the Company and property belonging to the Company, in which it is interested, or for any other purposes; and execute such deeds and do all such things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;
- 225.14. To institute, conduct, defend, compound, refer to arbitration or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due, and of any claim or demands by or against the Company.
- 225.15. To refer any claims or demands or differences by or against the Company or to enter into any contract or agreement for reference to arbitration, and observe, enforce, perform, compound or challenge such awards and to take proceedings for redressal of the same.;
- 225.16. To act as trustees in composition of the Company's debtors and/or act on behalf of the Company in all matters relating to bankrupts and insolvents;
- 225.17. To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.
- 225.18. Subject to the provisions of Sections 179 and 186 of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being Shares of this Company), or without security and in such manner as they think fit, and from time to time to vary the size of such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name;
- 225.19. To execute in the name and on behalf of the Company in favor of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.
- 225.20. To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividends, warrants, releases, contracts and documents and to give the necessary authority for such purpose;
- 225.21. Subject to provisions of Applicable Law, to give a Director or any officer or any other person whether employed or not by the Company, share or shares in the profits of the Company,

commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company;

225.22. To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or by grants of money, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident and other associations, institutions; funds or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit;

225.23. To subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;

225.24. Before recommending any Dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund, or to an Insurance Fund, or as a Reserve Fund, or Sinking fund, or any Special Fund to meet contingencies or to repay Debentures or Debenture stock, or for special dividends or for equalized dividends or for repairing, improving, extending and maintaining any of the property of the Company or for such other purpose (including the purposes referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as required to be invested upon such investments (other than Shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expand all or any part thereof for the benefit of the Company, in such manner and for such purpose as the Board in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the reserve into such special Funds as the Board may think fit, with full power to transfer the whole, or any portion of a Reserve Fund or division of a Reserve Fund to another Reserve Fund or division, of a Reserve Fund and with full power to employ the assets constituting all or any of the above Funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of Debentures or Debenture stock, and without being bound to keep the same, separate from the other assets, and without being bound to pay interest on the same with power, however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.

225.25. Subject to the provisions of the Act to appoint, and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisor, clerks, agents and servants of permanent, temporary or special services as they may for time to time think fit, and to determine their powers and duties and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit also from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India, or elsewhere in such manner as they think fit; and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.

- 225.26. To comply with the requirements of any local law which in their opinion it shall, in the interest of the Company, be necessary or expedient to comply with;
- 225.27. Subject to applicable provisions of the Act and Applicable Law, to appoint purchasing and selling agents for purchase and sale of Company's requirement and products respectively.
- 225.28. From time to time and at any time to establish any local board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to the members of such local boards and to fix their remuneration.
- 225.29. Subject to Section 179 & 180 of the Act from time to time and at any time, delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the Board, other than their power to make calls or to make loans or borrow moneys, and to authorize the Members for the time being of any such local board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation.
- 225.30. At any time and from time to time by power of attorney under the Seal, if any, of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Board under these Presents and excluding the powers to make calls and excluding also, except in their limits authorized by the Board, the power to make loans and borrow money') and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favor of the members or any of the Members of any Local Board, established as aforesaid or in favor of any Company, or the Shareholders, Directors, nominees or managers of any Company or firm or otherwise in favor of any fluctuating body of persons whether nominated directly by the Board and any such power of Attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them;
- 225.31. Subject to Sections 184 and 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such contracts, agreements and to execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient;
- 225.32. Subject to the provisions of the Act, the Board may pay such remuneration to Chairperson / Vice Chairperson of the Board upon such conditions as they may think fit.
- 225.33. To take insurance of any or all properties of the Company and any or all the employees and their dependants against any or all risks.
- 225.34. To take insurance on behalf of its managing Director, whole-time Director, manager, Chief Executive Officer, Chief Financial Officer or Company Secretary or any officer or employee of the

Company for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company.

MANAGING DIRECTOR

Board may appoint Managing Director(s)

226. Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its member or members as Managing Director(s) of the Company for fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit and subject to the provisions of these Articles the Board may by resolution vest in such Managing Director(s) such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine.
227. Subject to the Article above, the powers conferred on the Managing Director shall be exercised for such objects and purpose and upon such terms and conditions and with such restrictions as the Board may think fit and it may confer such powers either collateral with or to the exclusion of and in substitution of all or any of the powers of the Board in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers. The Managing Director shall not exercise any powers under Section 179 of Act except such powers which can be delegated under the Act and specifically delegated by a resolution of the Board.

Restriction on Management

228. The Board of Directors may, subject to Section 179 of the Act, entrust to and confer upon a Managing or whole time Director any of the powers exercisable by them, upon such terms and conditions and with such restrictions, as they may think fit and either collaterally with or to the exclusion of their own powers and may, from time to time, revoke, withdraw or alter or vary all or any of such powers.

Remuneration to Managing Directors/ Whole time Directors

229. A Managing or whole time Director may be paid such remuneration, whether by way of monthly payment, or participation in profits, or by any or all these modes, or any other mode not expressly prohibited by the Act, as the Board of Directors may determine.

POWER TO AUTHENTICATE DOCUMENTS

230. Subject to the Applicable Law, any Director or the Company Secretary or any officer appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any books, records, documents and accounts relating to the business of the Company and to certify copies or extracts thereof; and where any books, records documents or accounts are then, at the office, the local manager or other officer of the Company having the custody thereof, shall be deemed to be a person appointed by the Board as aforesaid.
231. Document purporting to be a copy of resolution of the Board or an extract from the minutes of meeting of the Board which is certified as such in accordance with the provisions of the preceding Article shall be conclusive evidence in favor of all persons dealing with the Company upon the faith thereof that such

resolution has been duly passed or, as the case may be that extract is a true and accurate records of a duly constituted meeting of the Directors.

THE SEAL

232. The Board may, in its absolute discretion, adopt a common seal for the Company.
233. The Board shall provide for the safe custody of the Seal, if adopted and shall have the power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. The Company shall also be at liberty to have an official Seal for use in any territory, district or place outside India.
234. The Seal of the Company, if any, shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorized by it in that behalf, and except in the presence of such Directors or such other person as the Board may specify/appoint for the purpose; and the Director.

MANAGEMENT OUTSIDE INDIA AND OTHER MATTERS

235. Subject to the provisions of the Act, the following shall have effect:
- 235.1. The Board may from time to time provide for the management of the affairs of the Company outside India (or in any specified locality in India) in such manner as it shall think fit and the provisions contained in the four next following paragraphs shall be without prejudice to the general powers conferred by this paragraph.
- 235.2. Subject to the provisions of the Act, the Board may at any time establish any local Directorate for managing any of the Delegation. affairs of the Company outside India, and may appoint any person to be member of any such local Directorate or any manager or agents and may fix their remuneration and, save as provided in the Act, the Board may at any time delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board and such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit and the Board may at any time remove any person so appointed and annual or vary any such delegations.
- 235.3. The Board may, at any time and from time to time by power of attorney under Seal, if any, appoint any person to be the attorney of the Company for such purposes and with such powers, authorities and discretions not exceeding those which may be delegated by the Board under the Act and for such period and subject to such conditions as the Board may, from time to time, thinks fit, and such appointments may, if the Board thinks fit, be made in favor of the members or any of members of any local Directorate established as aforesaid, or in favor of the Company or of the members, Directors, nominees or officers of the Company or firm or In favor of any fluctuating body of persons whether nominated directly or indirectly by the Board, and any such Power of Attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys as the Board thinks fit.

- 235.4. Any such delegate or Attorney as aforesaid may be authorized by the Board to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.
- 235.5. The Company may exercise the power conferred by the Act with regard to having an Official seat for use abroad, and such powers shall be vested in the Board, and the Company may cause to be kept in any state or country outside India, as may be permitted by the Act, a Foreign Register of Member or Debenture holders residents in any such state or country and the Board may, from time to time make such regulations not being inconsistent with the provisions of the Act, and the Board may, from time to time make such provisions as it may think fit relating thereto and may comply with the requirements of the local law and shall In any case comply with the provisions of the Act.

DIVIDENDS AND RESERVE

Division of profits

236. The profits of the Company, subject to any special rights as to dividends or authorized to be created by these Articles, and subject to the provisions of these Articles shall be divisible among the members in proportion to the amount of Capital paid-up on the Shares held by them respectively.

The Company in general meeting may declare a Dividend

237. The Company in general meeting may declare dividends to be paid to members according to their respective rights, but no Dividend shall exceed the amount recommended by the Board; the Company in general meeting may, however declare a smaller Dividend. No Dividend shall bear interest against the Company.

Dividend only to be paid out of profits

238. Subject to the provisions of the Act, the Dividend can be declared and paid only out of:
- 238.1. Profits of the financial year, after providing depreciation;
 - 238.2. Accumulated profits of the earlier years, after providing for depreciation;
 - 238.3. Out of monies provided by Central or State Government for payment of Dividend in pursuance of a guarantee given by the Government.
239. If the Company has incurred any loss in any previous financial year or years, the amount of the loss or any amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the Dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of the Act, or against both.

Transfer to reserve

240. The Board may, before recommending any Dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit.

241. Such reserve, being free reserve, may also be used to declare dividends in the event the Company has inadequate or absence of profits in any financial year, in accordance to Section 123 of the Act and Applicable Law made in that behalf. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

Interim Dividend

242. Subject to the provisions of Section 123 of the Act and Applicable Law, the Board may from time to time pay to the Members such interim dividends as appear to it to be justified by the profits of the Company.

Calls in advance not to carry rights to participate in profits

243. Where Capital is paid in advance of calls such Capital may carry interest but shall not in respect thereof confer a right to Dividend or participate in profits.

Payment of pro rata Dividend

244. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the Dividend is paid; but if any Share is issued on terms providing that it shall rank for Dividend as from a particular date such Share shall rank for Dividend accordingly.

Deduction of money owed to the Company

245. The Board may deduct from any Dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

Rights to Dividend where shares transferred

246. A transfer of Share shall not pass the right to any Dividend declared thereon before the registration of the transfer.

Dividend to be kept in abeyance

247. The Board may retain the dividends payable in relation to such Shares in respect of which any person is entitled to become a Member by virtue of transmission or transfer of Shares and in accordance sub-Section (5) of Section 123 of the Act or Applicable Law. The Board may also retain dividends on which Company has lien and may apply the same towards satisfaction of debts, liabilities or engagements in respect of which lien exists.

Notice of Dividend

248. Notice of any Dividend that may have been declared shall be given to the persons entitled to Share therein in the manner mentioned in the Act.

Manner of paying Dividend

249. Subject to the Applicable Law, any Dividend, interest or other monies payable in cash in respect of shares may be paid by any electronic mode to the shareholder entitled to the payment of the Dividend, or by way of cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint

holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

250. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or Warrant or pay-slip or receipt lost in transmission, or for any Dividend lost to the member of person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay-slip or receipt or the fraudulent recovery of the Dividend by any other means.

Receipts for Dividends

251. Any one of two or more joint holders of a Share may give effective receipts for any dividends, bonuses or other monies payable in respect of such Share.

Non-forfeiture of unclaimed Dividend

252. No unclaimed Dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with the provision of Sections 124 and 125 of the Act in respect of all unclaimed or unpaid dividends.

ACCOUNTS

Directors to keep true accounts

253. The Company shall keep at the registered office or at such other place in India as the Board thinks fit, proper books of account and other relevant books and papers and financial statement for every financial year in accordance with Section 128 of the Act.
254. Where the Board decides to keep all or any of the Books of Account at any place in India other than the registered office of the Company the Company shall within seven days of the decision file with the Registrar a notice in writing giving, the full address of that other place.
255. The Company shall preserve in good order the books of account relating to the period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such Books of Account.
256. Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the preceding Article if proper Books of Account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to date at intervals of not more than three months are sent by the branch office to the Company at its registered office or at any other place in India, at which the Company's Books of Account are kept as aforesaid.
257. The books of account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its 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. The Books of Account and other books and papers shall be open to inspection by any Directors during business hours.

Preparation of revised financial statements or Boards' Report

258. Subject to the provisions of Section 131 of the Act and the Applicable Law made thereunder, the Board may require the preparation of revised financial statement of the Company or a revised Boards' Report in respect

of any of the three preceding financial years, if it appears to them that (a) the financial statement of the Company or (b) the report of the Board do not comply with the provisions of Section 129 or Section 134 of the Act.

Places of keeping accounts

259. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being Directors.
260. No member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorized by the Board or by the Company in general meeting.

AUDIT

Auditors to be appointed

261. Statutory Auditors and Cost Auditors, if any, shall be appointed and their rights and duties regulated in accordance with Sections 139 to 148 of the Act and Applicable Laws. Where applicable, a Secretarial Auditor shall be appointed by the Board and their rights and duties regulated in accordance with Sections 204 of the Act and Applicable Laws.
262. Subject to the provisions of Section 139 of the Act and Applicable Laws made thereunder, the Statutory Auditors of the Company shall be appointed for a period of five consecutive years, subject to ratification by members at every annual general meeting. Provided that the Company may, at a General Meeting, remove any such Auditor or all of such Auditors and appoint in his or their place any other person or persons as may be recommended by the Board, in accordance with Section 140 of the Act or Applicable Laws.

Remuneration of Auditors

263. The remuneration of the Auditors shall be fixed by the Company in Annual general meeting or in such manner as the Company in general meeting may determine.

DOCUMENTS AND NOTICES

Service of documents and notice

264. A document or notice may be served or given by the Company on any member either personally or sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him or by way of any electronic transmission, as prescribed in Section 20 of the Act and Applicable Law made thereunder.
265. Where a document or notice is sent by post, services of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of the doing so, service of the documents or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be

deemed to have been effected in the case of Notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case at the time at which the letter would be delivered in the ordinary course of post.

Notice to whom served in case of joint shareholders

266. A document or notice may be served or given by the Company on or given to the joint-holders of a Share by serving or giving the document or notice on or to the joint-holders named first in the Register of Members in respect of the Share.

Notice to be served to representative

267. A document or notice may be served or given by the Company on or to the persons entitled to a Share in consequence of the death or insolvency of a member by sending it through post in a prepaid letter addressed to him or them by name or by the title of representatives of the deceased or assignee of the insolvent or by any like description, at the address if any) in India supplied for the purpose by the persons claiming to be entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.

Service of notice of General Meetings

268. Documents or notices of every General Meeting shall be served or given in the same manner hereinbefore on or to (a) every member of the Company, legal representative of any deceased member or the assignee of an insolvent member, (b) every Director of the Company and (c) the Auditor(s) for the time being of the Company.

Members bound by notice

269. Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such shares, which previously to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such shares.

Documents or notice to be signed

270. Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorized by the Board of Directors for such purpose and the signatures thereto may be written, printed or lithographed.

WINDING UP

271. Subject to the provisions of the Act and Applicable Law:

271.1. If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, but subject to the rights attached to any preference Share Capital, divide among the contributories in specie any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the Liquidator, with the like sanction shall think fit.

271.2. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

271.3. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

BONAFIDE EXERCISE OF MEMBERSHIP RIGHTS

272. Every Member and other Security holder will use rights of such Member/ Security holder as conferred by Applicable Law or these Articles bonafide, in best interest of the Company or for protection of any of the proprietary interest of such Member/security holder, and not for extraneous, vexatious or frivolous purposes. The Board shall have the right to take appropriate measures, and in case of persistent abuse of powers, expulsion of such Member or other Security holder, in case any Member/Security holder abusively makes use of any powers for extraneous, vexatious or frivolous purposes

INDEMNITY

273. For the purpose of this Article, the following expressions shall have the meanings respectively assigned below:

273.1. “**Claims**” means all claims for fine, penalty, amount paid in a proceeding for compounding or immunity proceeding, actions, prosecutions, and proceedings, whether civil, criminal or regulatory;

273.2. “**Indemnified Person**” shall mean any Director, officer or employee of the Company, as determined by the Board, who in bonafide pursuit of duties or functions or of honest and reasonable discharge any functions as a Director, officer or employees, has or suffers any Claims or Losses, or against whom any Claims or Losses are claimed or threatened;

273.3. “**Losses**” means any losses, damages, cost and expense, penalties, liabilities, compensation or other awards, or any settlement thereof, or the monetary equivalent of a non-monetary suffering, arising in connection with any Claim;

Indemnification

274. Where Board determines that any Director, officer or employee of the Company should be an Indemnified Person herein, the Company shall, to the fullest extent and without prejudice to any other indemnity to which the Indemnified Person may otherwise be entitled, protect, indemnify and hold the Indemnified Person harmless in respect of all Claims and Losses, arising out of, or in connection with, the actual or purported exercise of, or failure to exercise, any of the Indemnified Person’s powers, duties or responsibilities as a Director or officer of the Company or of any of its subsidiaries, together with all reasonable costs and expenses (including legal and professional fees).

275. The Company shall further indemnify the Indemnified Person and hold him harmless on an 'as incurred' basis against all legal and other costs, charges and expenses reasonably incurred in defending Claims including, without limitation, Claims brought by, or at the request of, the Company and any investigation into the affairs of the Company by any judicial, governmental, regulatory or other body.
276. The indemnity herein shall be deemed not to provide for, or entitle the Indemnified Person to, any indemnification against:
- 276.1. Any liability incurred by the Indemnified Person to the Company due to breach of trust, breach of any statutory or contractual duty, fraud or personal offence of the Indemnified Person;
- 276.2. Any liability arising due to any benefit wrongly availed by the Indemnified Person;
- 276.3. Any liability on account of any wrongful information or misrepresentation done by the Indemnified Person
277. The Indemnified Person shall continue to be indemnified under the terms of the indemnities in this Deed notwithstanding that he may have ceased to be a Director or officer of the Company or of any of its subsidiaries.

SECRECY

278. Every manager, Auditor, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Board of Directors, before entering upon the duties, sign a declaration pledging himself to observe strict secrecy respecting all bonafide transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge In the discharge of his duties except when required to do so by the Directors or by any general meeting or by the law of the country and except so far as maybe necessary in order to comply with any of the provisions in these Presents and the provisions of the Act.
279. Subject to the provisions of these Articles and the Act, no member, or other person (not being a Director) shall be entitled to enter the property of the Company or to inspect or to examine the Company's premises or properties of the Company without the permission of the Directors 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 or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be expedient in the interest of the Company to communicate.

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 the Draft Red Herring 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 Red Herring Prospectus will be delivered to the ROC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at Atlanta Enterprise, 2nd Floor, Shop-43, MOJE : Althan, Bhimrad Canal Road, Surat-395017, Gujrat, India from date of filing the Draft Red Herring Prospectus with ROC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

Material Contracts

1. Issue Agreement dated September 27, 2017 between our Company and the Book Running Lead Manager.
2. Agreement dated August 19, 2017 between our Company and the Registrar to the Issue.
3. Underwriting Agreement dated September 27, 2017 between our Company, the Book Running Lead Manager, and Underwriter.
4. Market Making Agreement dated September 27, 2017 between our Company, Book Running Lead Manager and Market Maker.
5. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated [●].
6. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated [●].
7. Banker's to the Issue Agreement dated [●] between our Company, the Book Running Lead Manager, Escrow Collection Bank and the Registrar to the Issue.

Material Documents

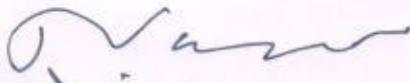
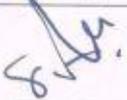
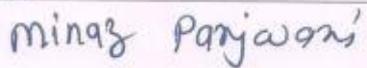
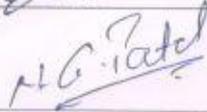
1. Certified true copy of the Memorandum and Articles of Association of our Company including certificates of incorporation.
2. Board resolution dated September 01, 2017 and special resolution passed pursuant to Section 62(1) (C) of the Companies Act, 2013 at the AGM by the shareholders of our Company held on September 27, 2017.
3. Statement of Tax Benefits dated September 27, 2017 issued by our from the peer review certified auditor, D V Barfiwala & Co.
4. Copy of Restated Audit report from the peer review certified auditor, D V Barfiwala & Co., dated September 27, 2017 included in the Draft Red Herring Prospectus.
5. Copy of Certificate from the Auditor regarding the source and deployment of funds.
6. Copies of Annual reports of the Company for the year ended March 31, 2017.
7. Consents of Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditors, Peer Review Auditor, Syndicate Member, Legal Advisor to the Issue, Bankers to our Company, Banker to the Issue, Book Running Lead Manager, Registrar to the Issue, Underwriter and Market Maker to include their names in the Draft Red Herring Prospectus to act in their respective capacities.
8. Due Diligence Certificate dated September 29, 2017 from the Book Running Lead Manager.
9. Copy of Approval dated [●] from the SME Platform of BSE Limited.

Any of the contracts or documents mentioned in the Draft Red Herring 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, with the consent of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

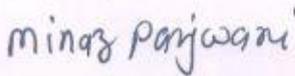
DECLARATION

All relevant provisions of the Companies Act, 2013 and the guidelines issued by the Government or the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made thereunder or guidelines issued, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

Signed by all the Directors of our Company

Name and Designation	Signature
Mr. Barkatali Kamruddin Panjwani <i>Managing Director</i> DIN: 07666611	
Mr. Sahebali Salimbhai Panjwani <i>Non Executive and Non Independent Director</i> DIN: 07666673	
Ms. Alwina Barkatali Panjwani <i>Non Executive and Non Independent Director</i> DIN: 07674928	
Mrs. Minaz Barkatali Panjwani <i>Non Executive and Non Independent Director</i> DIN: 07685696	
Mr. Indrajit Patel <i>Non Executive and Independent Director</i> DIN: 07945954	
Mr. Asit Madhusudan Pachchigar <i>Non Executive and Independent Director</i> DIN: 07938195	
Mr. Nikhil Govindbhai Patel <i>Non Executive and Independent Director</i> DIN: 07937302	

Signed by the Chief Financial Officer and the Company Secretary and Compliance Officer of our Company



Mrs. Minaz Barkatali Panjwani
Chief Financial Officer



Ms. Nanda Sampat Mundra
Company Secretary and Compliance Officer

Place: Surat

Date: