





## ASHAPURI GOLD ORNAMENT LIMITED

Our Company was originally incorporated as "Ashapuri Gold Ornament Private Limited" as a private limited company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated June 17, 2008 bearing Corporate Identification Number U36910GJ2008PTC054222 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company was converted into a public limited Company pursuant to a special resolution passed by our shareholders at the EGM held on January 09, 2019 and consequently the name of our Company was changed to "Ashapuri Gold Ornament Limited" and a fresh certificate of Incorporation was issued by the Registrar of Companies, Ahmedabad dated January 23, 2019. Further, shares of our company got listed and traded pursuant to Initial Public Offering on SME Platform of BSE Limited with effect from March 27, 2019. The CIN of the Company is L36910GJ2008PLC054222. For further details, please refer the chapter titled "History and Certain Corporate Matters" beginning on page 103 of this Draft Prospectus

**Registered office:** 109 to 112A, 1st Floor Supermall, Nr. Lal Bunglow, C.G. Road, Ahmedabad- 380009, Gujarat.

**Tel No:** - 079-26462171; **Website:** [www.ashapurigold.com](http://www.ashapurigold.com); **E-Mail:** [account@ashapurigold.com](mailto:account@ashapurigold.com)

**Company Secretary and Compliance Officer:** Mr. Dharmesh Shah; **Corporate Identification Number:** L36910GJ2008PLC054222

<b>PROMOTERS OF THE COMPANY: MR. SAREMAL SONI, MR. DINESH SONI AND MR. JITENDRA SONI</b>	
<b>THE ISSUE</b>	
<p><b>FURTHER PUBLIC OFFER OF 37,05,600 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH OF ASHAPURI GOLD ORNAMENT LIMITED ("AGOL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 81 PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ 71 PER EQUITY SHARE (THE "ISSUE PRICE") AGGREGATING TO ₹ 3001.54 LAKHS ("THE ISSUE"), OF WHICH 1,85,600 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH WILL FOR CASH AT A PRICE OF ₹ 81 PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ 71 PER EQUITY SHARE AGGREGATING TO ₹ 150.34 LAKHS 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 35,20,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AT A PRICE OF ₹ 81 PER EQUITY SHARE AGGREGATING TO ₹ 2851.20 LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 16.53% AND 14.08%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE 173 OF THIS DRAFT PROSPECTUS.</b></p>	
<b>THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE ISSUE PRICE IS 8.1 TIMES OF THE FACE VALUE.</b>	
<p>THIS ISSUE IS BEING MADE THROUGH FIXED PRICE PROCESS IN TERMS OF CHAPTER IV READ WITH REGULATION 281 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 ("SEBI (ICDR) REGULATIONS") AS AMENDED AND RULE 19(2)(B)(I) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED (THE "SCRR"), ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 253 OF THE SEBI (ICDR) REGULATIONS, 2018, AS AMENDED. FOR FURTHER DETAILS, PLEASE REFER TO CHAPTER TITLED "ISSUE PROCEDURE" BEGINNING ON PAGE 180 OF THIS DRAFT PROSPECTUS.</p>	
<p>In terms of the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, dated November 10, 2015, all potential investors shall participate in the issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the respective bank account which will be blocked by the Self-Certified Syndicate Banks ("SCSBs") for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018 dated November 01, 2018, Retail Individual Investors ("RIIs") applying in the public issue may use either Application Supported by Blocked Amount ("ASBA") facility for making application or may use Unified Payment Interface ("UPI") as an additional payment mechanism with Application Supported Blocked Amount for making application, to the extent of respective application amount ("PHASE II"). Further, pursuant to SEBI circular no SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 it has been decided to continue with Phase II of the UPI ASBA till further notice by SEBI. For details in this regard, specific attention is invited to chapter titled "Issue Procedure" on page 180 of this Draft Prospectus.</p>	
<b>GENERAL RISKS</b>	
<p>Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 17 of this Draft Prospectus.</p>	
<b>COMPANY'S ABSOLUTE RESPONSIBILITY</b>	
<p>The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.</p>	
<b>LISTING</b>	
<p>The Equity Shares of our Company are already listed on the BSE SME Platform. The Equity Shares further offered through this Draft Prospectus are proposed to be listed on the BSE SME Platform. In terms of the Chapter IV read with Regulation 281 of the SEBI (ICDR) Regulations, 2018 as amended from time to time, our Company has received an In-principle approval letter dated [●] from BSE Limited for using its name in the Offer document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the designated Stock Exchange will be the BSE Limited ("BSE").</p>	
<b>LEAD MANAGER</b>	<b>REGISTRAR TO THE ISSUE</b>
 <p><b>Mehta Integrated Finance Limited</b> 03, Law Garden Apartments, Scheme-1, Opp Law Garden, Ellis bridge, Ahmedabad-380006 Tel No 079-26565566 <b>Web Site :</b> <a href="http://www.mehtafinance.com">www.mehtafinance.com</a> <b>Email :</b> <a href="mailto:mifl_in@yahoo.com">mifl_in@yahoo.com</a> <b>Investor Grievance Email :</b> <a href="mailto:mifl_compliance@yahoo.in">mifl_compliance@yahoo.in</a> <b>Contact Person :</b> Anita Ramchandani <b>SEBI Reg No :</b> MB/INM000001089</p>	 <p><b>BIGSHARE SERVICES PRIVATE LIMITED</b> 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai-400059 <b>Tel No.:</b> 022 62638200 <b>Fax No:</b> 022 62638299 <b>Email Id:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> <b>SEBI Registration No:</b> INR000001385 <b>Contact Person:</b> Babu Raphael <b>Investor Grievance E-mail:</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a></p>
<b>ISSUE PROGRAMME</b>	
<b>ISSUE OPENS ON: [●]</b>	<b>ISSUE CLOSES ON: [●]</b>

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

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

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

Notwithstanding the foregoing, the terms not defined but used in the chapters titled “*Statement of Tax Benefits*”, “*Restated Financial Statements*”, “*Outstanding Litigation and Material Developments*” and section titled “*Main Provisions of Articles of Association*” beginning on pages 66, 124, 155 and 216 respectively, shall have the meanings ascribed to such terms in the respective sections.

#### GENERAL TERMS

Term	Description
“AGOL”, “our Company”, “we”, “us”, “our”, “the Company”, “the Issuer Company” or “the Issuer”	Unless the context otherwise indicates or implies, refers to Ashapuri Gold Ornament Limited, a public limited company incorporated under the Companies Act, 2013 and having Registered Office at 109 to 112A, 1st Floor Supermall, Nr. Lal Bunglow, C.G. Road, Ahmadabad -380009 Gujarat, India.
Promoter(s) / Core Promoter (s)	The Promoter of our Company are a) Mr. Saremal Soni; b) Mr. Dinesh Soni; and c) Mr. Jitendra Soni.
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1)(pp) of SEBI ICDR Regulations, 2018 as disclosed in the chapter titled “ <i>Our Promoters and Promoter Group</i> ” beginning on page 118 of this Draft Prospectus

#### COMPANY RELATED TERMS

Term	Description
Articles / Articles of Association/AOA	The articles of association of our Company, as amended from time to time
Board of Directors / Board	The Board of Directors of our Company or a committee constituted thereof
Companies Act	Companies Act, 1956 and/ or the Companies Act, 2013, as amended from time to time.
CMD	Chairman Cum Managing Director
Depositories Act	The Depositories Act, 1996, as amended from time to time
Director(s)	Director(s) of Ashapuri Gold Ornament Limited unless otherwise specified
Equity Shares	Equity Shares of our Company having Face Value of ₹10 each unless otherwise specified in the context thereof
Equity Shareholders	The holder of Equity Shares of the Company
Group Companies	The companies (other than our Promoters and Subsidiaries) with which there were related party transactions as disclosed in the Restated

Term	Description
	Financial Statements as covered under the applicable accounting standards, and as disclosed in “Our Group Companies” beginning on page 122 of this Draft Prospectus.
Fugitive economic offender	Shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018)
Indian GAAP	Generally Accepted Accounting Principles in India
Independent Directors	Independent directors on the Board, and eligible to be appointed as an independent director under the provisions of Companies Act and SEBI Listing Regulations. For details of the Independent Directors, please refer chapter titled “Our Management” beginning on page 107 of this Draft Prospectus
ISIN	International Securities Identification Number
JMD	Joint Managing Director
Key Managerial Personnel / Key Managerial Employees	The officer vested with executive power and the officers at the level immediately below the Board of Directors as described in the section titled “Our Management” on page 107 of this Draft Prospectus
Materiality Policy	The policy adopted by our Board on January 24, 2019 for identification of group companies of our Company, outstanding litigation and outstanding dues to creditors in respect of our Company, pursuant to the disclosure requirements under the SEBI (ICDR) Regulations.
MD	Managing Director
MOA/ Memorandum of Association	Memorandum of Association of our Company as amended from time to time
Registered Office	The Registered office of our Company, located at 109 to 112A, 1st Floor Supermall, Nr. Lal Bunglow, C.G. Road, Ahmadabad -380009, Gujarat, India.
ROC / Registrar of Companies	Registrar of Companies, Ahmedabad.
Statutory and Peer Review Auditors	The Statutory and Peer Review Auditors of our Company, being M/s. Bhagat & Co., Chartered Accountants

#### ISSUE RELATED TERMS

Terms	Description
Abridged Prospectus	Abridged Prospectus to be issued under Regulation 255 of SEBI ICDR Regulations and appended to the Application Form
Allot / Allotted / Allotment/ Allotment of Equity Shares	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Issue
Allottee(s)	The successful applicant to whom the Equity Shares are being / have been allotted
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of our Company
Application Supported by Blocked Amount / ASBA	Application supported by blocked amount (ASBA)” means an application for subscribing to a public issue or rights issue, along with an authorisation to self-certified syndicate bank to block the application money in a bank account

<b>Terms</b>	<b>Description</b>
ASBA Account	An account maintained with the SCSB and specified in the application form submitted by ASBA applicant for blocking the amount mentioned in the application form.
Basis of Allotment	The basis on which equity shares will be allotted to successful applicants under the Issue and which is described in the section “ <i>Issue Procedure</i> ” on page 180 of this Draft Prospectus
Bankers to the Company	IDBI Bank Limited, ICICI Bank Limited and Bank of Baroda
Bankers to the Issue / Escrow Collection Banks	The banks which are Clearing Members and registered with SEBI under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 as Banker to an Issue with whom the Escrow Agreement is entered into and in this case, being [●].
CAN /Confirmation of Allocation Note	A note or advice or intimation sent to Investors, who have been allotted the Equity Shares, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client identification number of the Applicant’s beneficiary account.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Application Forms at the Designated CDP Locations in terms of circular no. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate Application Forms by the ASBA Applicants with the Registrar to the Issue and SME Platform of BSE Limited and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their address, PAN, occupation and bank account details.
Depositories	NSDL and CDSL registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository Participant/DP	A depository participant registered with SEBI under the Depositories Act.
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account, or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account following which the Board of Directors shall Allot the Equity Shares to successful Applicants in the Issue.
Designated Intermediaries	The SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Applicants, in relation to the Issue.
Designated Stock Exchange	SME Platform of BSE Limited
Designated CDP Locations	Such centres of the CDPs where Applicants can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the website of BSE Limited.
Designated SCSB Branches	Such Branches of the SCSBs which shall collect the ASBA Forms used by the Applicants, a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a>

<b>Terms</b>	<b>Description</b>
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the BSE Limited
Designated Market Maker	Beeline Broking Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.
Draft Prospectus	This Draft Prospectus dated January 25, 2021 filed with SME Platform of BSE Limited, prepared and issued by our Company in accordance with SEBI ICDR Regulations.
Eligible NRI	NRI eligible to invest under the FEMA Regulations, from jurisdictions outside India where it is not unlawful to make an offer or invitation to participate in the Issue and in relation to whom the Application Form and the Prospectus will constitute an invitation to subscribe for Equity Shares and who have opened dematerialized accounts with SEBI registered qualified depository participants.
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation to participate in the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to Equity Shares issued thereby, and who have opened dematerialized accounts with SEBI registered qualified depository participants, and are deemed as FPIs under SEBI FPI Regulations.
FPO	Further Public Issue / Further Public Offering
Issue Opening Date	The date on which the Issue opens for subscription
Issue Closing date	The date on which the Issue closes for subscription
Issue Period	The period between the Issue Opening Date and the Issue Closing Date (inclusive of such date and the Issue Opening Date) during which prospective Applicants can submit their Application Forms, inclusive of any revision thereof. Provided however that the applications shall be kept open for a minimum of three (3) Working Days for all categories of Applicants.
IPO	Initial Public Offering
Issue / Issue Size / Public Issue	Further Public Issue of 37,05,600 Equity Shares of face value of ₹10 each for cash at a price of ₹81 per equity share (including a premium of ₹71 per equity share) aggregating to ₹ 3001.54 Lakhs by our Company.
Issue Price	The price at which the Equity Shares are being issued by our Company under this Draft Prospectus being ₹81 per Equity Share
Issue Agreement	The agreement dated January 25, 2021 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue
LM / Lead Manager	Lead Manager to the Issue, in this case being Mehta Integrated Finance Limited
Listing Agreement	Unless the context specifies otherwise, this means the SME Equity Listing Agreement to be signed between our company and the SME Platform of BSE.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 35,20,000 Equity Shares of face value of ₹10 each fully paid up of our Company for cash at a price of ₹81 per Equity Share (the issue price)

Terms	Description
	aggregating to ₹2851.20 Lakhs.
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 56 of this Draft Prospectus.
Non-Institutional Applicants	All Applicants (including Eligible NRIs), who are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than ₹ 2,00,000.
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI.
Prospectus	The Prospectus, filed with the ROC containing, inter alia, the Issue opening and closing dates and other information.
Public Issue Account	A ‘no-lien’ and ‘non-interest bearing’ account opened with Bankers to the Issue by our Company under section 40(3) of the Companies Act, 2013 to receive money from the Escrow Accounts on the Designated Date, and into which the funds shall be transferred by the SCSBs from the ASBA Accounts.
Qualified Foreign Investors / QFIs	A qualified foreign investor as defined in SEBI FPI Regulations
Qualified Institutional Buyers / QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of SEBI ICDR Regulations
Refund Account	Account opened / to be opened with a SEBI Registered Banker to the Issue from which the refunds of the whole or part of the Application Amount, if any, shall be made.
Refund through electronic transfer of funds	Refunds through NECS, NEFT, direct credit, NACH or RTGS, as applicable
Registered Broker	Stock brokers registered with SEBI as trading members who hold valid membership of BSE having right to trade in stocks listed on BSE and eligible to procure Application Forms in terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012.
Registrar Agreement	The agreement dated January 25, 2021 entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar pertaining to the Issue.
Registrar and Share Transfer Agents or RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar / Registrar to the Issue	Registrar to the Issue being Bigshare Services Private Limited.
Regulations	Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹2,00,000.
SCSB	A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html</a>

Terms	Description
	Intermediaries.
Underwriters	Underwriters to the issue are Mehta Integrated Finance Limited and Beeline Broking Limited.
Underwriting Agreement	The Agreement entered into between the Underwriters and our Company dated January 25, 2021
Working Days	All days on which commercial banks in Ahmedabad are open for business; provided however, with reference to Issue Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Ahmedabad are open for business; the time period between the Issue Closing Date and the listing of the Equity Shares on the BSE SME, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI.

#### TECHNICAL AND INDUSTRY RELATED TERMS

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

#### CONVENTIONAL AND GENERAL TERMS/ ABBREVIATIONS

Term	Description
A/c	Account
Act or Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as amended from time to time
AGM	Annual General Meeting
ASBA	Application Supported by Blocked Amount
AS	Accounting Standards issued by the Institute of Chartered Accountants of India.
AY / A.Y.	Assessment Year
BG	Bank Guarantee
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation Allocation Note
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identity Number
CS	Company Secretary
Depositories	NSDL and CDSL



Term	Description
DCA	Department of corporate affairs
DIN	Director's Identification Number
DP ID	Depository Participant's Identification Number
EBIDTA	Earnings Before Interest, Depreciation, Tax and Amortization
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings Per Share i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
Financial Year/ Fiscal Year/ FY/F.Y.	The period of twelve months ended March 31 of that particular year
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there-under and as amended from time to time
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended.
FII	Foreign Institutional Investor (as defined under SEBI FII (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
FIs	Financial Institutions
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
Gov/Government/GOI	Government of India
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standard
ICSI	Institute of Company Secretaries of India
ICAI	Institute of Chartered Accountants of India
Indian GAAP	Generally Accepted Accounting Principles in India.
I.T. Act	Income Tax Act, 1961, as amended from time to time
INR/ Rs. / Rupees / ₹	Indian Rupees, the legal currency of the Republic of India
Ltd.	Limited
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended.
MOF	Minister of Finance, Government of India
MOU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NIFTY	National Stock Exchange Sensitive Index
NOC	No Objection Certificate
NR/ Non-Residents	Non-Resident
NRE Account	Non-Resident External Account
NRI	Non-Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA Regulations

<b>Term</b>	<b>Description</b>
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange
NTA	Net Tangible Assets
p.a.	Per annum
P/E Ratio	Price/ Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Person of Indian Origin
PLR	Prime Lending Rate
R & D	Research and Development
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SAT	Security appellate Tribunal
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to Time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI ICDR Regulations /ICDR Regulations/SEBI ICDR / ICDR	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI Rules and Regulations	SEBI ICDR Regulations, SEBI (Underwriters) Regulations, 1993, as amended, the SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI

<b>Term</b>	<b>Description</b>
	may issue from time to time, including instructions and clarifications issued by it from time to time.
Sec.	Section
Securities Act	The U.S. Securities Act of 1933, as amended.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small and Medium Enterprises
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The Government of a State of India
Stock Exchanges	Unless the context requires otherwise, refers to, the BSE Limited
STT	Securities Transaction Tax
TDS	Tax Deducted at Source
TIN	Tax payer Identification Number
UIN	Unique Identification Number
U.S. GAAP	Generally accepted accounting principles in the United States of America.
VCFs	Venture capital funds as defined in and registered with SEBI under SEBI VCF Regulations or SEBI AIF Regulations, as the case may be

## **PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA**

### **Certain Conventions**

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

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

### **Financial Data**

Unless stated otherwise, the financial data in the Draft Prospectus is derived from our Restated financial statements of our Company for the period ended on September 30, 2020 and for the financial year ended March 31, 2020, 2019 and 2018 prepared in accordance with the Companies Act, 2013 and restated in accordance with the SEBI (ICDR) Regulations, 2018 and GAAP Guidance Note on “Reports in Company Prospectus”, as amended issued by ICAI, as stated in the report of our Statutory and Peer Reviewed Auditor, as set out in the chapter titled “Restated Financial Statements” beginning on page 124 of this Draft 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 Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the restated financial statements included in the Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft Prospectus should accordingly be limited.

Any percentage amounts, as set forth in the sections / chapters titled “Risk Factors”, “Business Overview” and “Management's Discussion and Analysis of Financial Condition and Results of Operations” beginning on page no 17, 79 and 148, respectively, of this Draft Prospectus and elsewhere in the Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with GAAP, the Companies Act, 2013 and restated in accordance with the SEBI (ICDR) Regulations, 2018.

### **Industry and Market Data**

Unless stated otherwise, industry and market data and forecast used throughout the Draft Prospectus has been obtained or derived from industry sources 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 Prospectus is reliable, it has not been independently verified by the Lead Manager or any of their affiliates or advisors. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

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

### **Currency and units of presentation**

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

- 'Rupees' or '₹' or 'Rs.' or 'INR' or '₹' are to Indian rupees, the official currency of the Republic of India.
- 'US Dollars' or 'US\$' or 'USD' or '\$' are to United States Dollars, the official currency of the United States of America, EURO or "€" are Euro currency,

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

## FORWARD-LOOKING STATEMENTS

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

All statements contained in the Draft 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 Prospectus regarding matters that are not historical facts. These forward-looking statements and any other projections contained in the Draft 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.

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 section titled “Risk Factors” and chapter titled “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 17, 79 and 148 of this Draft Prospectus, respectively. By their nature, certain market risk disclosures are only estimating and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

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

## **SUMMARY OF OFFER DOCUMENT**

### **SUMMARY OF BUSINESS**

Our Company is engaged in the business of wholesale trading of Jewellery till March 2019. The Jewellerys were manufactured on Job-work basis at Ahmedabad and Rajkot. The design of our products is done either in house or by third parties on our behalf and get the Jewellerys manufacture done job work basis. We believe that our track record of almost two-decade attracts and signifies customers trust in the quality and purity of our products. We deal in antique Jewellery too. The Company has started manufacturing Jewellerys in house and reduces the dependence of getting jewelry manufactured on job work basis. The in-house designing of the jewellery and in house manufacturing helps the company to have better management and coordination of man and material, better utilization of labour force, better inventory management and quality control on the final products. On account of Own manufacturing unit, The Company has complied the stringent requirement norms of the known retail brand Jewellery show room. The Client list of the Company includes leading reputed jewellery retailer which are multinational well reputed and having very good network.

### **SUMMARY OF INDUSTRY**

The Gems and Jewellery sector plays a significant role in the Indian economy, contributing around 7 % of the country's GDP and 15% to India's total merchandise exports. It also employs over 4.64 million workers and is expected to employ 8.23 million by 2022. One of the fastest growing sectors, it is extremely export oriented and labour intensive. Based on its potential for growth and value addition, the Government of India has declared the Gems and Jewellery sector as a focus area for export promotion. India is deemed to be the hub of the global jewellery market because of its low costs and availability of high-skilled labour. As per statistics from the Gems and Jewellery Export promotion Council (GJEPC). India's Gems and Jewellery sector has been contributing in a big way to the country's foreign exchange earnings (FEEs). The GOI has viewed the sector as a thrust area for export promotion. The Indian government presently allows 100% FDI in the sector through the automatic route.

For more details please refer chapter titled "*Industry Overview*" on page 69 of this Draft Prospectus

### **PROMOTERS**

The Promoters of our Company are as follows:

1. Mr. Saremal Soni
2. Mr. Dinesh Soni
3. Mr. Jitendra Soni

### **ISSUE SIZE**

Further Public Offer Of 37,05,600 Equity Shares of Face Value of ₹ 10/- Each offer Cash At a price of ₹ 81 Per Equity Share Including a Share Premium of ₹ 71 Per Equity Share aggregating to ₹ 3001.54 Lakhs , of which 1,85,600 Equity Shares of Face Value of ₹ 10 Each will for cash at a price of ₹ 81 Per Equity Share aggregating to ₹ 150.34 lakhs will be reserved for subscription by Market maker to the issue (the "Market Maker Reservation Portion"). The issue less Reservation portion i.e. Net Issue of 35, 20,000 Equity Shares of face Value of ₹ 10 each at price of ₹ 81 per Equity Share aggregating to ₹ 2851.20 Lakhs is herein after referred to as the "Net Issue ". The Issue and the Net issue will constitute 16.53% and 14.08%, respectively of the Post Issue Paid up Equity Share Capital Of our Company.

### **OBJECTS OF THE ISSUE**

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

Sr. No.	Particulars	Estimated Amount (₹ In lakhs)
1.	Establishment of Jewelry manufacturing Unit	100.00
2.	Meeting working capital requirements	2125.00
3.	General corporate purposes	725.00
<b>Total utilization of net proceeds</b>		<b>2950.00</b>

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

#### PRE-ISSUE SHAREHOLDING OF PROMOTERS AND PROMOTER GROUP

Sr. No	Name of share holder	Pre-issue	
		No of equity shares	As a % of Issued Capital
	Promoters		
1	Mr. Saremal Soni	3220800	15.13
2	Mr. Dinesh Soni	2315940	10.88
3	Mr. Jitendra Soni	2211330	10.39
	<b>TOTAL (A)</b>	<b>7748070</b>	<b>36.40</b>
	Promoters Group		
4	Mrs. Narmadadevi Soni	2188230	10.28
5	Mrs. Kiranben Soni	1422300	6.68
6	M/s Dineshkumar Soni HUF	1281060	6.02
7	M/s Saremal Soni HUF	1181070	5.55
8	Mrs. Alkaben Soni	1139490	5.35
9	M/s Jitendrakumar Soni HUF	582120	2.72
	<b>TOTAL (B)</b>	<b>7794270</b>	<b>36.60</b>
	<b>Total Promoters and promoter’s Group</b>	<b>1,55,42,340</b>	<b>73.00</b>

#### SUMMARY OF FINANCIAL INFORMATION

Particulars	For the Period ended on September30, 2020	For the year ended		
		2020	2019	2018
Share Capital (₹ in Lakhs)	2129.30	2129.30	2129.30	10.00
Net worth ₹ in Lakhs)	4762.49	4513.27	4485.91	660.28
Revenue ₹ in Lakhs)	2231.16	12065.90	8820.22	4692.92
Profit after Tax ₹ in Lakhs)	244.22	47.36	38.16	7.30
Earnings per share (Basic & diluted) ₹ )	1.15	0.22	0.32	7.30
Net Asset Value per Equity Share (Basic & diluted) ₹)	22.37	21.20	21.07	660.28
Total borrowings ₹ in Lakhs)	9.09	14.71	25.38	482.16

#### QUALIFICATIONS OF AUDITORS



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

### SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPEMENTS

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

Nature of Cases	Number of Cases	Total Amount Involved (In Rs.)
A. Litigation against the Company	Nil	Nil
B. Litigation by Company	Nil	Nil
C. Litigation against Promoters and Directors of the Company	Nil	Nil
D. Litigation by Promoters and Directors of the Company	Nil	Nil
E. Litigation against Group Company	Nil	Nil
F. Litigation by Group Company	Nil	Nil

For further details, please refer chapter titled “*Outstanding Litigations & Material Developments*” beginning on page 155 of this Draft Prospectus.

### RISK FACTORS

For details relating to risk factors, please refer section titled “*Risk Factors*” on page 17 of this Draft Prospectus.

### SUMMARY OF CONTIGENT LIABILITIES OF OUR COMPANY

Particulars	As at September 30, 2020	As at 31st March 2020	As at 31st March 2019	As at 31st March 2018
Contingent liabilities	NIL	NIL	NIL	NIL

### SUMMARY OF RELATED PARTY TRANSACTIONS

(₹ In Lakhs)

Nature of Transaction	For the Period ended on September 30, 2020	For the Year ended on		
		2020	2019	2018
Directors remuneration	37.57	147.72	36.00	22.00
Rent payment to Promoters and Promoter’s Group	24.29	44.10	25.08	25.08
Salary	1.75			
Commission Paid			5.50	
Job Work Charges		16.50	0.15	0.26
Sale				10.33
Purchase			70.19	38.29
Loan taken By the Company			389.85	159.81
Loan repaid By the Company			690.60	294.27
Balance			0.00	300.75

Outstanding of Loan				
Interest payment			29.34	27.48

For detailed information on the related party transaction executed by our Company, please refer chapter titled “*Restated Financial Statement*” beginning on page 124 of this Draft Prospectus.

#### **FINANCING ARRANGEMENTS**

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

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

The promoters have not acquired any Equity Shares in the last one (1) year preceding the date of this Draft Prospectus.

#### **AVERAGE COST OF ACQUISITION**

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

<b>Name</b>	<b>Average Cost of Acquisition per Equity Share (in ₹)</b>
Mr. Saremal Soni	5.16
Mr. Dinesh Soni	3.61
Mr. Jitendra Soni	3.30

#### **DETAILS OF PRE-ISSUE PLACEMENT**

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

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

Our Company had not issued any equity Shares for Consideration other than Cash in the last one year from the date of this Draft Prospectus.

#### **SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR**

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

## SECTION II – RISK FACTORS

*An investment in the Equity Shares involves a high degree of risk. You should carefully consider all of the information in this Draft Prospectus, including the risks and uncertainties described below and the Financial Statements incorporated in this Draft Prospectus, before making an investment in the Equity Shares of our Company. Any potential investor in, and subscribers of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in other countries. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the risks involved. If any or some combination of the following risks occur or if any of the risks that are currently not known or deemed to be not relevant or material now, actually occur, our business, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment. For further details, please refer to chapters titled “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 79 and 148, respectively of this Draft Prospectus, as well as the other financial and statistical information contained in this Draft Prospectus. If our business, results of operations or financial condition suffers, the price of the Equity Shares and the value of your investments therein could decline.*

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

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

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

*This Draft Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Prospectus. For further details, please refer to chapter titled “Forward-Looking Statements” beginning on page 12 of this Draft Prospectus.*

*Unless otherwise indicated, all financial information included herein are based on our Financial Statements. Please refer to the section titled “Financial Statements” beginning on page 124 of this Draft Prospectus.*

### **INTERNAL RISK FACTORS:**

1. *We do not own our registered office and the Show Room from which we operate.*

Our Registered Office and the Show room, located at 109 to 112A, 1<sup>st</sup> Floor Supermall, Nr. Lal Bungalow, C.G. Road, Ahmedabad – 380009 is not owned by our Company but owned by the Promoter and Promoter Group of the Company. The details of the same are as under:

Shop No.	Name of the Owner	Status	Date of Agreement/ Renewal Date	Rent	Lease Period
Shop No. 109	Mrs. Kiran Soni & Mrs. Alka Soni	Promoter Group	Lease Deed dated September 15, 2011 and Supplementary Lease Deed July 08,2014, June 02, 2015, May 02,2019 and December 18,2020	Rs. 69450/- p.m. w.e.f. August 01, 2020	Can be terminated by either party with 90 days' notice.
Shop No. 110-112A	Mr. Saremal Soni & Mrs. Narmadadevi Soni	Promoter and Promoter Group	Lease Deed dated September 15, 2011 and Supplementary Lease Deed July 08,2014, June 02, 2015, May 02,2019 and December 18,2020	Rs.1,38,900/- p.m. w.e.f. August 01, 2020	Can be terminated by either party with 90 days' notice.

There can be no assurance that the term of the agreements will be continued for very long time and in the event the lessor/licensor terminates the agreements, we may require to vacate the registered office and show room and identify alternative premises immediately at reasonable rent and enter into fresh lease or leave and license agreement. Such a situation could result in loss of business, time overruns and may adversely affect our operations and profitability.

## 2. Our Company had filed statement of variation in projected utilization of IPO proceeds as mentioned in Prospectus of Initial Public Offer (IPO) and actual utilization of funds.

Our Company has raised ₹ 2855.00 lakhs from public in the Initial Public offering in FY 2018-19 for the purpose of Establishment of jewellery manufacturing unit, Investment in partnership firm, Meeting working capital requirements and General Corporate Purpose. Brief of the same is as mentioned below –

(₹ in Lakhs)				
Sr. No.	Particulars	As stated in Prospectus	Actual Utilization	Unutilized fund
1.	Establishment of jewellery manufacturing unit	150.00	108.76	41.24
2.	Investment in partnership firm	180.00	180.00	-
3.	Meeting working capital requirements	1800.00	1800.00	-
4.	General corporate purposes	725.00	725.00	-
<b>Total</b>		<b>2855.00</b>	<b>2813.76</b>	<b>41.24</b>

The company has variant its Object of the Issue as stated in the Prospectus dated March 7, 2019 and got the permission from the shareholders in the Annual General Meeting held on 24th September, 2020 for utilization of the fund invested in partnership firm in to working capital requirement of the Company.

The Company has failed to achieve the expected growth in the business of partnership firm i.e. readymade garment segment. Therefore, the Board of Directors of the company proposes to invest the said fund in income generating activity rather than unproductive activity. The Board of Directors of the company proposes to recall the fund deployed in “Blue Onyx Lifestyle” and infuse the same into “working capital requirements” of the company. As on date the funds are invested in the partnership firm. However, we cannot assure you that FPO proceeds will be utilized as mentioned in the chapter

titled “Object of the Issue”. There may be variation in the utilization which can be assessed negatively by investors.

**3. *There was delay in schedule of implementation and proposed utilization of funds in the initial Public Offer of the Company resulted into non meeting of financial plans as envisaged. The investors may incur opportunity cost for their funds because of this delay.***

The Company has proposed the establishment of jewellery unit in the rented premises of Rajkot in the prospectus of Initial Public offer. However, the Company has purchased the own factory premises at 501/502, Golden Signature, Behind Ratnam Building, Off. C.G. Road, Navrangpura, Ahmedabad-380009 at a cost of Rs 173.62 out of the fundraised for General Corporate Purpose on account of that there is delay in implementation of the Jewellery unit. The Company had up to September 30, 2020 spent Rs.108.76 Lakhs for purchase of plant and machinery Furniture and fixtures. The balance unutilized amount is held in current accounts for timely availability of resources when required.

**4. *The submission of two different financial statements in half yearly result for half year ended on March 31, 2020 and the Annual Report of March 31, 2020.***

Our Company had uploaded the half yearly audited result for Half year ended on March 31, 2020 on July 24, 2020 pursuant to compliance of regulation 33 of SEBI (LODR) Regulations, 2015. The Company had also uploaded the Annual Report under Regulation 34 of SEBI (LODR) Regulations, 2015. The Financial Statements uploaded in compliance of Regulation 33 and 34 of SEBI (LODR) Regulations, 2015 have different figures. The Closing Stock and Other income figure in the financial statement in the both the uploaded documents are as follows.

<b>Sr. No</b>	<b>Particulars</b>	<b>Figures as Per Compliance of regulation 33 of SEBI (LODR) Regulations, 2015</b>	<b>Figures as Per Compliance of regulation 34 of SEBI (LODR) Regulations, 2015</b>
1	Closing Stock Including Theft Stock	Rs. 27,93,83,880 (including theft stock of Rs. 66,16,251)	Rs. 27,27,67,629
2	Other Income	Rs. 7,68,523	Rs. 73,84,774

The Workers have stolen away the goods and the goods which have been stolen away has been shown as Closing Stock in the Financial Statements submitted under regulation 33 of SEBI (LODR) Regulations, 2015. However the Auditor has realised that the stock stolen for which insurance claim has been made by the Company cannot be shown as Closing Stock hence he had removed from the closing stock and add the same under the heading other income as claim receivable from the insurance company. The Amount of profit remains unchanged. The Company may face the actions from the stock exchange due to submission of two set of financial statements.

**5. *Our Company has delayed the appointment of CFO in accordance with the requirement of Companies Act, 2013.***

In accordance with the Section 203 of the Companies Act, 2013, if the office of the KMP is vacated, the resulting vacancy shall be filled up by the Board of Directors of the Company within a period of six months from the date of such vacancy. Our Company has delayed the appointment of CFO from the resignation of CFO, i.e. Mr. Aagam Doshi resigned on November 14, 2019 and new CFO, Mr. Paresh Acharya was appointed on July 24, 2020, which is not within the prescribed timeline as per Companies Act, 2013. The Company might receive the notice for penalty form the Regulatory authority for noncompliance of the provisions of the Companies Act, 2013.

**6. *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.***

We believe that our industry faces competitive pressures in recruiting and retaining skilled and unskilled labour. Our industry being labour intensive is highly dependent on labour force for carrying out its manufacturing operations. Shortage of skilled/unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. Our Company has taken efforts to maintain a lower attrition among the labourers by facilitating them with various in-house facilities and benefits to our employees.

**7. The consolidation of accounts of the Associate Concern.**

The Company is partner in Partnership Firm M/s Blue - Onyx Life Style having 80% share in profit. As per Accounting Standard As-23 the accounts of the Associate Firm/Company is required to be consolidated. However as per the clause 11 of Partnership deed, the Company is entitled to share only profit and in case of loss the Company is not required to bear the share of loss. In case of loss, the remaining two partners have to share the loss equally. On account of that clause, though the Company had an associate concern the consolidated accounts are not prepared as there is nothing to be consolidated as per the terms of the partnership deed.

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

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

(₹in Lakhs)

Particulars	Up to 30.09.2020	2019-2020	2018-19
Current Assets			
Inventory	3101.03	2727.69	2165.60
Trade Receivables	747.66	1036.12	352.68
Short Term Loans and Advances	73.27	84.64	58.4
Cash and Bank Balance	340.81	254.75	643.41
Other Current Assets	148.21	122.47	987.76
<b>Total Currents Assets (A)</b>	<b>4410.98</b>	<b>4225.67</b>	<b>4208.39</b>
Less: Current Liabilities			
Trade Payables	76.09	80.71	107.01
Other Current Liabilities	90.92	75.43	18.28
Short Term Provisions	167.05	167.98	26.16
<b>Total Current Liabilities (B)</b>	<b>334.06</b>	<b>324.12</b>	<b>151.45</b>
<b>NET WORKING CAPITAL REQUIREMENTS (A-B)</b>	<b>4076.92</b>	<b>3901.55</b>	<b>4056.94</b>

Our Company intends to continue growing by expanding our operation and geographical reach. Various designs of the ornaments and requirement of the different clients of different designs require huge inventory to achieve the sale growth. All these factors require huge inventory and maintain the inventory in very effective manner. Our inability to maintain sufficient cash flow and credit facility in timely manner could adversely affect our operation and profitability of the Company. For Further details regarding working capital requirement, please refer to the Chapter “Objects of the Issue” on page 56 of this draft prospectus.

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

Our total inventory was Rs.2165.60 Lakhs against the total sales of Rs. 8819.76 Lakhs for the Year ended on March 31, 2019 and Rs.2727.69 Lakhs against the total sales of Rs. 12058.22 Lakhs for the year ended on March 31, 2020, which is 24.55 % and 22.62 % of total sales respectively. Our main business income comes from the wholesale customers. We need inventory of jewellery of antique and running designs for wholesale business. Our results of operations are dependent on our ability to effectively manage our inventory. We must be able to accurately estimate customer demand and supply requirements and manufacture new Jewellery to effectively manage our inventory. If our management has misjudged expected customer demand it could adversely impact the results by causing either a shortage of Jewellery or an accumulation of excess inventory. Further, if we fail to sell the inventory, manufactured by us, we may incur loss pertaining to the labour charges of such unsold materials and will also result in blockage of working capital thereby incurring loss of interest, which would have an adverse impact on our income as well as cash flows.

**10. *Our Showroom is geographically located in one area, i.e. C.G. Road, Ahmedabad, Gujarat and any localized social unrest, natural calamities, distress, etc. could have material adverse effect on the business and financial operations.***

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

**11. *The Company has entered into the trading business of readymade garments with limited experience and the growth of the business was not as expected.***

The Company has become partner in Partnership Firm M/s. Blue - Onyx Life Style having 80% share in profit. The Partnership firm was started by the Promoters and Promoters group in the year 2016-17 only and the track record of the partnership firm in the readymade business is very limited. The readymade garment business is not growing as expected hence the Company has got the approvals from the Shareholders for variation in the Objects of the issue and the funds which have been invested in the readymade garment business will be transferred for use of working capital. As per the partnership deed the Company has not to share the loss incurred by the Firm.

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

The main raw material is gold and our top ten suppliers contribute 93.70 % and 86.01 % of our total purchases for the year ended March 31, 2019 and March 31, 2020 respectively. The discontinuation of any of this large supplier will not significantly affect our operations, revenue and profitability as the raw material can be procured easily from other suppliers.

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

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

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

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

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

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

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

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

Gold is the primary raw materials used in our manufacturing process and constitute almost 90% to 92% of the sale value. Price of gold is volatile in nature and is linked to the international commodity indices. Although we source gold and sell our products on an unfixed basis, any decrease in the prices of gold shall result in the consequent decrease in the price of inventory held in stock. Such uncertainty of gold price may have adverse impact on financial position and profitability of our company.

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

As on date, we developed design of our jewellery in house or sometimes we may get the design prepared outside on job work basis. As such we are responsible for introducing new and innovative designs. Our business highly depends on innovative designs to meet the expectations of our customers. The new design developed for the prospective customer may not be acceptable and unable to meet the preferences of customers or their requirement which could result into obsolete inventory. In addition to this, due to the competitive nature of the jewellery market in which we operate, the innovative designs remain the key differentiators, which normally possess short life span.

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

Our business is seasonal in nature with a significant proportion of our sales generated during the festive seasons like Diwali season, Valentine's Day, Raksha Bandhan, Akshay Tritiya, Guru Pushya Nakshatra, Christmas etc. and during Marriage seasons. If our Company is unable to cope up with the demand and requirement of the customers during the Festive and Marriage seasons, our profitability will be adversely affected on account of reduction of sales. Further we may not be able to recover the



shortfalls of sales of such periods. We expect to continue to experience a seasonal fluctuation in our sales and income. We have limited ability to compensate for shortfalls in our sales or income during such periods by introducing changes in operations and strategies for rest of the year, or to recover from any extensive disruption, i.e. due to sudden adverse changes in consumer confidence, global pricing of gold, lower disposable income, etc. A significant shortfall in sales during these periods would therefore be expected to have a material adverse effect on our results of operations.

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

We have entered into certain transactions with related parties with our Directors, their relatives, Group Entities and may continue to do so in future. Our Company has entered into such transactions due to easy proximity and quick execution. However, there is no assurance that we could not have obtained better and more favourable terms than from transaction with related parties. Additionally, our company belief that all our related party transactions have been conducted on an arm's length basis, but we cannot provide assurance that we could have achieved more favourable terms had such transactions been entered with third parties. Our Company may enter into such transactions in future also and we cannot assure that in such events there would be no adverse affect on results of our operations, although going forward, all related party transactions that we may enter will be subject to board or shareholder approval, as under the Companies Act, 2013 and the Listing Regulations. For details of transactions, please refer to "Annexure 30" Related Party Transactions" on page 145 of Restated Financial Information.

**20. *Limited Trading of our Equity Shares listed on the BSE SME Segment.***

Our Company got listed on BSE SME Segment on the March 27, 2019. Since the listing, there are total 1136 trade transactions till January 13, 2021 which consist of 49,24,000 of Equity Shares. The shares were actively traded in the FY 2019-20. In FY 2020-21, there were no trading in the month of May 2020, June 2020, August 2020 and September 2020. There were certain months in which no transaction was done in the Equity shares of the Company. The trading in the equity shares of the company is sporadic. However in accordance with the Regulation 261 of SEBI (ICDR) Regulations, the Company had ensure compulsory market making through the Market maker NNM Securities Private Limited for minimum period of 3 Years or from the date of listing of specified securities. Therefore, the investor will not face the difficulties in the exit / sale of shares from the market. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue or that the prices at which the Equity Shares are sold through this issue will correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue."

**21. *There are restrictions on daily/ weekly/monthly/ annually movements in the price of 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 price.***

For Indian stock exchanges, the circuit limits are set by the Securities and Exchanges Board of India (SEBI). We are subject to circuit breakers imposed by BSE Limited, which does not allow transaction beyond decided increases or decreases in the price of Equity Shares. This Circuit breaker operates independently and imposed by the Stock exchange on the basis of trading volume and price movement of the shares. These filters restrict extreme price movement and curb price manipulation to a certain extent by stock operators. The filters also protect investors from extreme price fluctuations. As a result of this circuit breaker, the shareholders may not be able to sell the shares or the price at which sell the shares at any particular time.

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

The sale of shares by the promoters or other significant shareholder(s) may significantly affect the trading price of our Equity shares. Further the market price generally may be adversely affected on account of the news about the sale of shares by the promoters. However the closing of trading windows during the period of financial results may restrict the promoters from selling the shares in the open market.

**23. The issue price of the Equity Shares may not be indicative of market price of our equity shares after the issue and the market price of our Equity shares may decline below the issue price.**

The issue price of our Equity shares is decided on the basis of both qualitative and quantitative factors. The Company was in the business of trading of jewellery manufactured on job work basis up to FY 2018. From 2019 onwards the Company has established its own manufacturing unit and on account of that the Company has orders from the reputed jewellery manufacturers. All such point have been considered in deciding the issue price of the Equity Shares. Please refer chapter titled “Basis for issue price” beginning on the page no. 63 of the Draft prospectus. The market price of Our Equity shares could be subject to change after the issue and may decline the below the issue price.

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

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above Rs. 100 cr. 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.

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

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

(₹ in lakhs)

Particulars	For the period ended on September 30, 2020	2020	2019	2018
Net Cash Generated from Operating Activities	176.81	(304.99)	(2428.03)	197.97
Net cash used in investing activities	(89.19)	(70.77)	(220.63)	(61.20)
Net cash generated from/(used in) financing activities	(1.56)	(12.90)	3288.22	(139.02)

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

**26. Our business requires us to obtain a number of approvals, NOCs, licenses, registrations and permits and renew certain registrations, licenses and permits from government and regulatory authorities as well. Failure to obtain them or renewal of them in a timely manner may adversely affect our business operations.**

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registration and permits, some of which may expire and for which we may have to make an application for obtaining the approval or its renewal. The Company has yet to apply for certain licenses and approvals for manufacturing the Jewellery. If we fail to apply or to renew such registrations and licenses or comply with applicable conditions, then such respective regulatory can impose fine on our company or suspend and/or cancel the approval/licenses which may affect our business adversely.

For more information about the licenses required in our business and the licenses and approvals applied for and yet to receive and approval yet to apply, please refer section "*Government and other Statutory Approvals*" appearing on page no. 159.

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

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

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

We have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this Issue which may delay in the implementation schedule and could adversely affect our growth plans. For further details of object of Issue and schedule of implementation please refer to the chapter titled "*Objects of the Issue*" on page 56 of this Draft Prospectus.

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

Our future ability to pay dividends will depend on our earnings, financial condition and capital requirements. There can be no assurance that we will generate sufficient income to cover the operating expenses and pay dividends to the shareholders. Our ability to pay dividends will also depend on our expansion plans. We may be unable to pay dividends in the near or medium term, and the future dividend policy will depend on the capital requirements and financing arrangements for the business plans, financial condition and results of operations.

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

Post this Issue, our Promoter and Promoter Group will collectively own 62.18 % of our equity share capital. As a result, our Promoter, together with the members of the Promoter Group, will continue to exercise a significant degree of influence over Company and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act, 2013 and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

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

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

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

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

We develop designs for most of our jewellery products which we manufacture based on the designs which are developed by us. We select the jewellery designs from the designs made by our designing team which are largely based on the market trends. Due to the competitive nature of the jewellery markets in which we operate, innovative designs remain the key differentiators, which therefore possesses short life span. As a result of jewellery designs which are modified and changed on a frequent basis, we do not register these designs under the Designs Act, 2000. Our designs are therefore not protected under the Designs Act, 2000 and if competitors copy our designs it could lead to loss of income, which could adversely affect our reputation and our results of operations. Even though, we have passing off right, this could lead to lengthy litigation which could materially result in loss of reputation and our results of operations.

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

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

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

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

***35. In addition to normal remuneration or benefits and reimbursement of expenses, some of our Directors and key managerial personnel are interested in our Company to the extent of their shareholding, rent on the immovable properties and dividend entitlement in our Company.***

Our Directors and Key Managerial Personnel (“KMP”) 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 KMP may also be interested to the extent of their shareholding and dividend entitlement in our Company as well as rent on the immovable properties given to the company on rental basis. For further information, see “Capital Structure” and “Our Management” on pages 42 and 107 respectively, of this Draft Prospectus.

## **EXTERNAL RISK FACTORS**

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

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

- Volatility in the India and global capital market;
- Company’s results of operations and financial performance;
- Performance of Company’s competitors;
- Adverse media reports on Company;
- Changes in our estimates of performance or recommendations by financial analysts;
- Significant developments in India’s economic and fiscal policies; and
- Significant developments in India’s environmental regulations.

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

***37. 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.

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

Our Company is subject to various regulations and policies. For details see section titled “*Key Industry Regulations and Policies*” beginning on page no. 92 of this Draft Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse affect on our business, financial condition and results of operations.

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

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

**40. *Our 100% Revenue is derived from business in India and a decrease in economic growth in India could materially affect and 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.

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

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

**42. *Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse impact on our business, financial condition and results of operations.***

Taxes and other levies imposed by the Central or State Governments in India that impact our industry include income tax and GST and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. There can be no assurance that these tax rates/slab will continue in the future. Any changes in these tax rates/slabs could adversely affect our financial condition and results of operations.

## SECTION III – INTRODUCTION

### THE ISSUE

Present Issue in terms of the Draft Prospectus:

Particulars	Details of Equity Shares
<b>Further Public Issue of Equity Shares by our Company</b>	37,05,600 Equity Shares of face value ₹10 each fully paid up for at an Issue Price of ₹ 81 each aggregating to ₹ 3001.54 Lakhs
<b>Of which:</b>	
<b>Reserved for Market Makers</b>	1,85,600 Equity Shares of face value of ₹10 each fully paid up at an Issue Price of ₹ 81 each aggregating to ₹150.34 Lakhs
<b>Net Issue to the Public*</b>	35,20,000 Equity Shares of face value of ₹10 each fully paid up at an Issue Price of ₹ 81 each aggregating to ₹2851.20 Lakhs
<b>Of which</b>	
<b>Retail Portion</b>	17,60,000 Equity Shares of face value of ₹10 each fully paid up at an Issue Price of ₹ 81 each aggregating to ₹1425.60 Lakhs
<b>Non-Retail Portion</b>	17,60,000 Equity Shares of face value of ₹10 each fully paid up at an Issue Price of ₹ 81 each aggregating to ₹1425.60 Lakhs
<b>Equity Shares outstanding prior to the Issue</b>	2,12,93,000 Equity Shares of ₹10 each
<b>Equity Shares outstanding after the Issue</b>	2,49,98,600 Equity Shares of ₹10 each
<b>Use of Proceeds</b>	For further details please refer chapter titled “Objects of the Issue” beginning on page no. 56 of the Draft Prospectus for information on use of Issue Proceeds.

#### Notes

This Issue is being made in terms of Regulation 281 of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details please refer to section titled ‘Issue Structure’ beginning on page no. 178 of this Draft Prospectus.

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on August 26, 2020 and by the shareholders of our Company vide a special resolution passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the AGM held on September 24, 2020.

\*As per the Regulation 253(2) of the SEBI (ICDR) Regulations, as amended, as present issue is a other than through the book building process, the allocation in the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investor; and
- b) remaining to:
  - (i) individual applicants other than retail individual investors; and
  - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.  
If the retails individual investor category is entitled to more than allocated portion on proportionate basis, accordingly the retails individual investors shall be allocated that higher percentage.

## SUMMARY OF OUR FINANCIAL INFORMATION

### Annexure 1 - Restated standalone Summary Statement of Assets and Liabilities

₹in Lakhs

	Particulars	30 <sup>th</sup> September, 2020	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March,2019	31 <sup>st</sup> March, 2018
<b>(1)</b>	<b>Equity &amp; Liabilities</b>				
	(a) Share Capital	2,129.30	2,129.30	2,129.30	10.00
	(b) Reserves & surplus	2,633.19	2,383.97	2,356.61	650.28
	<b>Sub Total.....(1)</b>	<b>4,762.49</b>	<b>4,513.27</b>	<b>4,485.91</b>	<b>660.28</b>
<b>(2)</b>	<b>Share Application Money.....(2)</b>				
<b>(3)</b>	<b>Non-Current Liabilities</b>				
	(a) Long term Borrowings	9.09	14.71	25.38	34.71
	(b) Long term Liabilities				
	(c) Deferred Tax Liabilities ( Net)				
	( d) Long term Provisions				
	<b>Sub Total.....(3)</b>	<b>9.09</b>	<b>14.71</b>	<b>25.38</b>	<b>34.71</b>
<b>(4)</b>	<b>Current Liabilities</b>				
	(a) Short Term Borrowings			-	447.45
	(b) Trade Payables				
	Outstanding due to Micro and Small Enterprises				
	Outstanding due to Creditors other than Micro and Small Enterprises	76.09	80.71	107.01	278.23
	(c) Other Current Liabilities	90.92	75.43	18.28	25.22
	(d) Short term provisions	167.05	167.98	26.16	8.11
	<b>Sub Total.....(4)</b>	<b>334.06</b>	<b>324.12</b>	<b>151.45</b>	<b>759.01</b>
	<b>TOTAL LIABILITIES.....(1+2+3+4)</b>	<b>5,105.64</b>	<b>4,852.10</b>	<b>4,662.74</b>	<b>1,454.00</b>
	<b>ASSETS</b>				
<b>(4)</b>	<b>Non-Current Assets</b>				
	(a) Fixed Assets				
	Property Plant and Equipment				
	Tangible Assets	365.71	308.91	269.33	63.84
	Capital work-in-progress				
	Intangible Assets	2.85	3.17	3.38	0.01
	(b) Non-Current Investments	316.41	306.39	148.00	
	(c ) Deferred Tax Assets	7.86	6.13	1.91	3.13
	(d ) Long term Loans and Advances	1.83	1.83	31.73	
	(e) Other non-Current Assets				
	<b>Sub Total.....( 4)</b>	<b>694.66</b>	<b>626.43</b>	<b>54.35</b>	<b>66.98</b>
<b>(5)</b>	<b>Current Assets</b>				
	(a) Current Investments				
	( b) Inventories	3,101.03	2,727.69	2,165.60	1,259.78
	( c) Trade Receivables	747.66	1,036.12	352.68	103.41
	(d) Cash and bank balances	340.81	254.75	643.41	3.85
	(e ) Short Term Loans and Advances	73.27	84.64	58.94	19.98
	(f) Other Current Assets	148.21	122.47	987.76	



Sub Total.....( 5)	4,410.98	4,225.67	4,208.39	1,387.02
<b>TOTAL ASSETS.....(4+5)</b>	<b>5,105.64</b>	<b>4,852.10</b>	<b>4,662.74</b>	<b>1,454.00</b>

**Annexure 2 - Restated Standalone Summary Statement of Profits and Losses**

(₹ in Lakhs)

Particulars	For the year ended			
	30 <sup>th</sup> September, 2020	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>Income from continuing operations</b>				
Revenue from operations				
Manufacturing Activity	2229.99	12058.22		
Trading Activity			8819.76	4692.92
<b>Total</b>	<b>2,229.99</b>	<b>12,058.22</b>	<b>8,819.76</b>	<b>4,692.92</b>
Other Income	1.17	7.68	0.46	
<b>Total Revenue</b>	<b>2,231.16</b>	<b>12,065.90</b>	<b>8,820.22</b>	<b>4,692.92</b>
<b>Expenses</b>				
Cost Of Material Consumed				
Purchase of Stock in Trade	1977.13	11673.47	9269.75	4214.6
Change in Inventories	(373.34)	(562.09)	(905.82)	253.78
Employee benefits expense	168.79	353.93	60.63	111.63
Finance Costs	0.94	2.23	42.47	44.05
Other expenses	98.58	496.05	289.62	49.81
Depreciation and amortization expenses	32.7	38.49	11.79	8.35
<b>Total Expenses</b>	<b>1,904.80</b>	<b>12,002.08</b>	<b>8,768.44</b>	<b>4,682.22</b>
<b>Restated profit before tax from continuing operations</b>	<b>326.36</b>	<b>63.82</b>	<b>51.78</b>	<b>10.70</b>
<b>Exceptional Item</b>				
<b>Tax expense/(income)</b>				
Current tax	83.87	20.68	12.40	1.98
Deferred tax charge/(credit)	(1.73)	(4.22)	1.22	1.42
<b>Total tax expense</b>	<b>82.14</b>	<b>16.46</b>	<b>13.62</b>	<b>3.40</b>
<b>Restated profit after tax from continuing operations (A)</b>	<b>244.22</b>	<b>47.36</b>	<b>38.16</b>	<b>7.30</b>

## Annexure 3 - Restated Standalone Summary Statement of Cash Flows

(₹ In Lakhs)

Particulars	30 <sup>th</sup> September, 2020	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March,2019	31 <sup>st</sup> March, 2018
Net profit before taxation from continuing operations (as restated)	326.36	63.82	51.78	10.70
<b>A. Non cash adjustments to reconcile profit before tax to net cash flows</b>				
Depreciation and amortisation expense	32.70	38.49	11.79	8.35
Interest income		(7.32)		
Dividend Income				
Expenses debited to Reserve and Surplus		(20.00)		
Interest expense	0.94	2.23	42.47	44.05
Loss on sale of Assets		0.24		
<b>Operating profit before working capital changes (as restated)</b>	<b>360.00</b>	<b>77.46</b>	<b>106.04</b>	<b>63.10</b>
<b>Movement in Working Capital</b>				
(Increase)/decrease in Inventories	(373.34)	(562.09)	(905.82)	253.78
(Increase)/decrease in trade receivables	288.46	(683.44)	(249.27)	(89.16)
(Increase)/decrease in loans and advances	11.37	(25.70)	(38.96)	(11.56)
(Increase)/decrease in LT loans and advances	-	29.90	(31.73)	
(Increase)/decrease in Other Current Assets	(25.74)	865.29	(987.76)	-
(Increase)/decrease in non current Investments	(10.02)	(158.39)	(148.00)	
Increase/(decrease) in trade payables	(4.62)	(26.30)	(171.22)	(34.69)
Increase/(decrease) in Other Current Liabilities	15.49	57.15	(6.94)	13.59
Increase/(decrease) in Short term provisions	(64.32)	133.74	7.68	4.68
Increase/(decrease) in Long Term provisions				
<b>Cash flow from operations</b>	<b>197.28</b>	<b>(292.38)</b>	<b>(2,425.98)</b>	<b>199.74</b>
Direct taxes paid (including fringe benefit taxes paid) (net of refunds)	(20.47)	(12.61)	(2.05)	(1.77)
Dividend and Dividend Distribution Tax				
<b>Net cash generated from operating activities (A)</b>	<b>176.81</b>	<b>(304.99)</b>	<b>(2,428.03)</b>	<b>197.97</b>
<b>B. CASH FLOW USED IN INVESTING ACTIVITIES</b>				
Purchase of fixed assets, including intangible assets, capital work in progress and capital advances	(89.19)	(84.50)	(220.63)	(61.96)
Sale of Assets		6.41		0.76
(Purchase)/Sale of investments				
Interest received		7.32		
Dividend Income				
<b>Net cash used in investing activities (B)</b>	<b>(89.19)</b>	<b>(70.77)</b>	<b>(220.63)</b>	<b>(61.20)</b>
<b>C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>				
Proceeds from Long term Borrowings	(5.62)	(10.67)	(9.33)	34.71
Proceeds from Short term Borrowings	-	-	(447.45)	(129.68)
Proceeds from issue of Share Capital and Reserve and Surplus	5.00		3,787.47	
Share Capital & Share Application Money				-
Dividend and Dividend Distribution Tax				

Interest paid	(0.94)	(2.23)	(42.47)	(44.05)
<b>Net cash generated from/(used in) financing activities (C)</b>	<b>(1.56)</b>	<b>(12.90)</b>	<b>3,288.22</b>	<b>(139.02)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>86.06</b>	<b>(388.66)</b>	<b>639.56</b>	<b>(2.25)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>254.75</b>	<b>643.41</b>	<b>3.85</b>	<b>6.10</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>340.81</b>	<b>254.75</b>	<b>643.41</b>	<b>3.85</b>

## GENERAL INFORMATION

Our Company was originally incorporated as “Ashapuri Gold Ornament Private Limited” as a private limited company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated June 17, 2008 bearing Corporate Identification Number U36910GJ2008PTC054222 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company was converted into a public limited Company pursuant to a special resolution passed by our shareholders at the EGM held on January 09, 2019 and consequently the name of our Company was changed to “Ashapuri Gold Ornament Limited” and a fresh certificate of Incorporation was issued by the Registrar of Companies, Ahmedabad dated January 23, 2019. Further, shares of our company got listed and traded pursuant to Initial Public Offering on SME Platform of BSE Limited (“BSE SME”) with effect from March 27, 2019. For further details, please refer the chapter titled “*History and Certain Corporate Matters*” beginning on page no. 103 of this Draft Prospectus.

The Corporate Identification Number of our Company is L36910GJ2008PLC054222

### Registered & Corporate Office of our Company

#### Ashapuri Gold Ornament Limited

109 to 112A, 1st Floor Supermall,  
Nr. Lal Bunglow, C.G. Road,  
Ahmedabad - 380009, Gujarat, India  
Tel No: 079-26462170/71

Website: [www.ashapurigold.com](http://www.ashapurigold.com)

E-mail: [account@ashapurigold.com](mailto:account@ashapurigold.com)

### ADDRESS OF REGISTRAR OF COMPANIES

#### Registrar of Companies

Our Company is registered with the Registrar of Companies, Ahmedabad located at:  
Registrar of Companies  
ROC Bhavan, Opp. Rupal Park Society,  
Behind Ankur Bus Stop, Naranpura,  
Ahmedabad-380013, Gujarat, India

### Board of Directors of our Company

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

Sr No	Name	Designation	DIN	Address
1.	Mr. Saremal Soni	Chairman Cum Managing Director	02288750	4/A, Shivsankalp Society, Nr. Amikunj Cross Road, Naranpura, Ahmedabad - 380013, Gujarat, India
2.	Mr. Dinesh Soni	Managing Director	01795746	21/A, Shivsankalp Society, Nr. Amikunj Cross Road, Naranpura, Ahmedabad - 380013, Gujarat, India.
3.	Mr. Jitendra Soni	Joint Managing Director	01795752	4/A, Shivsankalp Society, Nr. Naranpura Char Rasta, Naranpura, Ahmedabad - 380013, Gujarat, India.
4.	Mr. Mukeshkumar Mandaliya	Independent Director	08540099	C-301, Utsav Eligance, Bhuyangdev, Sola Road, Ahmedabad – 360063, Gujarat, India
5.	Mr. Rushikesh	Independent	08506862	33 Tapovan Society, Part 1, Anil Starch

	Patel	Director		Road, Saraspur, Ahmedabad – 380018, Gujarat, India
6.	Ms. Alkaben Kamdar	Independent Director	08319268	B-503, Agrawal Apartment, Madhur Hall, Anandnagar Cross Road, Satellite, Ahmedabad - 380015

For further details of our Directors, please refer chapter titled “*Our Management*” beginning on page no. 107 of this Draft Prospectus.

**Company Secretary and Compliance Officer  
Dharmesh Shah**

**Ashapuri Gold Ornament Limited**

109 to 112A, 1<sup>st</sup> Floor Supermall,  
Nr. Lal Bungalow, C.G. Road,  
Ahmedabad – 380009, Gujarat, India  
**Tel No:** 079-26462170/71

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

**E-mail:** [account@ashapurigold.com](mailto:account@ashapurigold.com)

*Note: Investors can contact our Company Secretary and Compliance Officer, the Lead Manager or the Registrar to the Issue, in case of any pre-issue or post-issue related problems, such as non-receipt of letters of allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode etc.*

**ALL GRIEVANCES RELATING TO THE ASBA PROCESS AND UPI PAYMENT MECHANISM MAY BE ADDRESSED TO THE REGISTRAR TO THE ISSUE, WITH A COPY TO THE RELEVANT DESIGNATED INTERMEDIARY WITH WHOM THE ASBA FORM WAS SUBMITTED. THE APPLICANT SHOULD GIVE FULL DETAILS SUCH AS NAME OF THE SOLE OR FIRST APPLICANT, ASBA FORM NUMBER, APPLICANT DP ID, CLIENT ID, UPI ID (IF APPLICABLE), PAN, DATE OF THE ASBA FORM, ADDRESS OF THE APPLICANT, NUMBER OF EQUITY SHARES APPLIED FOR AND THE NAME AND ADDRESS OF THE DESIGNATED INTERMEDIARY WHERE THE ASBA FORM WAS SUBMITTED BY THE ASBA APPLICANT.**

**Further, the investors shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents/ information mentioned above.**

Lead Manager to the Issue	Registrar to the Issue
<b>Mehta Integrated Finance Limited</b> 03, Law Garden Apartments, Scheme-1, Opp Law Garden, Ellis bridge, Ahmedabad-380006 Tel No 079-26565566 Web Site: <a href="http://www.mehtafinance.com">www.mehtafinance.com</a> Email : <a href="mailto:mifl_in@yahoo.com">mifl_in@yahoo.com</a> Investor Grievance Email : <a href="mailto:mifl_compliance@yahoo.in">mifl_compliance@yahoo.in</a> Contact Person : Anita Ramchandani SEBI Reg No.: MB/INM000001089	<b>Bigshare Services Private Limited</b> <b>Address:</b> 1st Floor, Bharat Tin works Building, Opp. vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400059 <b>Tel No:</b> +91 22-62638200 <b>Fax No</b> +91 22-62638280 <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> <b>E-Mail:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Investor Grievance Email:</b> investor@bigshareonline.com <b>Contact Person:</b> Arvind Tandel <b>SEBI Reg. No.:</b> INR000001385
Legal Advisor to the Issue	Statutory Auditor & Peer Reviewed Auditor
<b>M.N. Marfatia</b> <b>Address:</b> 4 <sup>th</sup> Floor, A-Wing, New York Tower, SG Highway, Thaltej, Ahmedabad	<b>Bhagat &amp; Co.</b> Chartered Accountants <b>Address:</b> 24, Laxmi Chamber, Navjivan Press

<b>Tel No:</b> 079-26856001-02-03-04 <b>Mo:</b> +91-98989 17167 <b>Email Id:</b> mauleen.marfatia@gmail.com <b>Contact Person:</b> Mr. M.N. Marfatia <b>Bar Council No.:</b> G/1585/2008	Road,Near Old High Court, Income-Tax, Ahmedabad – 380014, India <b>Tel No.:</b> 079-48988866 <b>Email:</b> bhagatco2015@gmail.com <b>Membership No.:</b> 052725 <b>Firm Registration No.:</b> 127250W <b>Peer Review No:</b> 009446 <b>Contact Person:</b> Mr. Shankar Bhagat
<b>Bankers to the Company</b>	<b>Bankers to the Company</b>
<b>IDBI Bank Limited</b> <b>Address:</b> 38, Manjushree Society, Nr. Ranna Park, Ghatlodia, Ahmedbad - 380061 <b>Tel:</b> 079- 27432066, 27430337, 27431946, 27430344 <b>Email id:</b> ibkl0000082@idbi.co.in <b>Contact Person:</b> Auroville Bhatia <b>Website:</b> <a href="http://www.idbibank.in">www.idbibank.in</a>	<b>ICICI Bank Ltd</b> <b>Address:</b> 20 to 24 Shakti Arcade, Sola Science City Road, Sola, Ahmedabad -380060, Gujarat <b>Tel:</b> 9909919837 <b>Email Id:</b> <a href="mailto:hemang.erda@icicibank.com">hemang.erda@icicibank.com</a> <b>Contact Person:</b> Hemang Erda <b>Website:</b> <a href="http://www.icicibank.com">www.icicibank.com</a>
<b>Bankers to the Company</b>	<b>Bankers to the Issue, Refund Banker and Sponsor Bank</b>
<b>Bank Of Baroda</b> <b>Address:</b> Law Garden, Ellisbridge, Ahmedabad – 380006, Gujarat <b>Tel:</b> 079 26473112 <b>Email ID:</b> <a href="mailto:lawahm@bankofbaroda.com">lawahm@bankofbaroda.com</a> <b>Contact Person:</b> Sanjay Kumar Ray <b>Website:</b> <a href="http://www.bankofbaroda.com">www.bankofbaroda.com</a>	[•]

#### SYNDICATE MEMBER(s)

No Syndicate Member have been appointed as on the date of this Draft Prospectus

#### DESIGNATED INTERMEDIARIES

##### Self-Certified Syndicate Banks

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

The list of banks that have been notified by SEBI to act as SCSBs for the UPI process provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the designated intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and its updated from time to time.

##### Registered Broker

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicant can submit Application form through stock broker network of the Stock Exchange i.e. Registered Broker at the Broker center.

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI

at(<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), respectively, as updated from time to time.

### **Registrar to the Issue and Share Transfer Agents**

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)), and updated from time to time. For details on RTA, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

### **Collecting Depository Participants**

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time

### **Inter-Se Allocation of Responsibilities**

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

### **Credit Rating**

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

### **IPO Grading**

Since the Issue is being made in terms of Chapter IX of SEBI ICDR Regulations, 2018, there is no requirement of appointing an IPO grading agency

### **Monitoring Agency**

As per regulation 262(1) of SEBI ICDR Regulations, the requirement of monitoring agency is not mandatory if the Issue size is up to ₹ 10,000 Lakhs. Since the Issue size is only of ₹ 3001.54 Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per section 177 of the Companies Act, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the issue.

### **APPRAISING ENTITY**

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

### **Expert Opinion**

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

Our Company has received a written consent from our Peer Review Auditor, M/s. Bhagat & Co., Chartered Accountants, with respect to their report on the Financial Statements dated January 18, 2021 and the Statement of Tax Benefits dated January 18, 2021, to include their name in this Draft Prospectus, as required under Companies Act read with SEBI ICDR Regulations as “Expert”, defined in section 2(38) of the Companies Act and such consent has not been withdrawn as on the date of this

Draft Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

### Trustee

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

### Changes in Auditors During the Last Three Years

The company has appointed M/s Bhagat & Co., Chartered Accountant, as Statutory Auditor for the period started from December 26, 2018 in place of M/s. Pankaj K. Shah Associates, Chartered Accountant.

Except as stated above there is no change in our Statutory Auditors of our Company during last three (3) years.

### Filing of Draft Offer Document/ Offer Document

- The Draft Prospectus and Prospectus shall be filed with SME Platform of BSE Limited (“**BSE SME**”) situated at Phiroze Jeejeebhoy Towers, Dalal St, Kala Ghoda, Fort, Mumbai - 400001, Maharashtra, India.
- A soft copy of Draft Prospectus shall be submitted to SEBI. However, SEBI will not issue any observation on the offer document in term of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Further, a soft copy of the Draft Prospectus and Prospectus along with relevant documents shall be filed with SEBI pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.
- A copy of the Prospectus along with the material contracts and documents referred elsewhere in the Prospectus required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the Registrar of Companies, Ahmedabad, Gujarat, India situated at RoC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus-Stop, Naranpura, Ahmedabad – 380 013, Gujarat, India.

### Underwriters

Our Company and the LM to the Issue hereby confirm that the Issue is 100% Underwritten. The Underwriting agreement is dated January 25, 2021 Pursuant to the terms of the Underwriting Agreement; the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Name and Address of the Underwriter	Indicative Number of Equity Shares Underwritten*	Amount Underwritten (₹in Lakhs)	% of the Net Issue size Underwritten
<b>Mehta Integrated Finance Limited</b> 03, Law Garden Apartments, Scheme-1, Opp Law Garden, Ellis bridge, Ahmedabad-380006 Tel No 079-26565566 Web Site : <a href="http://www.Mehtafinance.com">www. Mehtafinance.com</a> Email : <a href="mailto:mifl_in@yahoo.com">mifl_in@yahoo.com</a> Investor Grievance Email : <a href="mailto:mifl_compliance@yahoo.in">mifl_compliance@yahoo.in</a> Contact Person: Anita Ramchandani SEBI Reg No : MB/INM000001089	5,56,800	451.01	15.03%



<b>Beeline Broking Limited</b> SEBI Registration Number: INZ000000638 Address: 701-702, A Wing, Samudra Complex, 7th Floor, Off. C. G. Road, Nr. Girish Cold Drinks, Navrangpura, Ahmedabad - 380009 Tel Number: +91 079 6666 4040 / 7405171553; Email Id: compliance@beelinebroking.com Investors Grievance Id: compliance @beelinebroking.com Website: www.beelinebroking.com Contact Person: Vanesh Panchal	31,48,800	2550.53	84.97%
<b>Total</b>	<b>37,05,600</b>	<b>3001.54</b>	<b>100%</b>

*\*Includes 1,85,600 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker on its own account in order to comply with the requirements of Regulation 261 of SEBI ICDR Regulations.*

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

#### **WITHDRAWAL OF THE ISSUE**

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

#### **Market Maker**

Our Company and the Lead Manager have entered into an agreement dated January 25, 2021 with the following Market Maker, duly registered with BSE Limited to fulfill the obligations of Market Making:

##### **Beeline Broking Limited**

SEBI Registration Number: INZ000000638

**Address:** 701-702, A Wing, Samudra Complex, 7th Floor, Off. C. G. Road, Nr. Girish Cold Drinks, Navrangpura, Ahmedabad - 380009

**Tel Number:** +91 079 6666 4040 / 7405171553;

**Email Id:** compliance@beelinebroking.com

**Investors Grievance Id:** compliance @beelinebroking.com

**Website:** www.beelinebroking.com

**Contact Person:** Vanesh Panchal

Beeline Broking Limited is registered with BSE SME as a Market Maker and has agreed to receive or deliver the Equity Shares in the market making process for a period of three (3) years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI ICDR Regulations.

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the 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 ₹1,00,000. However, the investors with holdings of value less than ₹1,00,000 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he/she sells his/her entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the FPO price of ₹ 81/- the minimum lot size is 1,600 Equity Shares thus minimum depth of the quote shall be ₹1,29,600/- until the same, would be revised by BSE Limited.
- 3) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him. 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.

There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, NNM Securities Private Limited is acting as the sole Market Maker. The Company has appointed Beeline Broking Limited as additional market maker.

- 4) The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.
- 5) 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.
- 6) The Market Maker(s) shall have the right to terminate said arrangement by giving three months notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s).

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

- 7) Risk containment measures and monitoring for Market Makers: BSE SME Segment will have all margins which are applicable on the Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
- 8) Punitive Action in case of default by Market Makers: BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or

non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

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.

- 9) 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:

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

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

## CAPITAL STRUCTURE

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

*Amount (₹ in Lakhs except share data)*

Sr. No.	Particulars	Aggregate nominal value	Aggregate value at Issue Price
<b>A.</b>	<b>AUTHORISED SHARE CAPITAL</b>		
	2,50,00,000 Equity Shares of face value of ₹10 each	2500.00	
<b>B.</b>	<b>ISSUED, SUBSCRIBED &amp; PAID-UP SHARE CAPITAL BEFORE THE ISSUE</b>		
	2,12,93,000 fully paid Equity Shares of face value of Rs. 10 each	2129.30	
<b>C.</b>	<b>PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS#</b>		
	Issue of 37,05,600 Equity Shares of face value of Rs.10 each at a premium of ₹71 per share	370.56	3001.54
	<b>Which Comprises:</b>		
(I)	Reservation for Market Maker 1,85,600 Equity Shares of face value of ₹10 each at a premium of ₹71 will be available for allocation to Market Maker	18.56	150.34
(II)	Net Issue to the Public 35,20,000 Equity Shares of face value of ₹10 each at a premium of ₹71 per share	352.00	2851.20
	Of Net Issue to the Public		
(I)	17,60,000 Equity Shares of face value of ₹10 each at a premium of ₹71 per share shall be available for allocation for Investors applying for a value of upto ₹2 Lakh	176.00	1425.60
(II)	17,60,000 Equity Shares of face value of ₹10 each at a premium of ₹71 per share shall be available for allocation for Investors applying for a value of above ₹2 Lakh	176.00	1425.60
<b>D.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE PRESENT ISSUE</b>		
	2,49,98,600 Equity Shares of ₹10 each	2499.86	
<b>E.</b>	<b>SHARE PREMIUM ACCOUNT</b>		
	Share Premium account before the Issue		2298.44
	Share Premium account after the Issue		4929.42

### Details of Changes in Authorized Share Capital:

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

Sr. No.	Date of Change	AGM / EGM	Changes in authorized Capital
1.	On Incorporation	-	The authorized capital of our company on incorporation comprised of Rs. 5,00,000/- consisting of 50,000 Equity shares of Rs. 10 each.
2.	March 16th, 2009	EGM	The authorized share capital of Rs. 5,00,000/- consisting of 50,000 Equity Shares of Rs.10/- each was increased to Rs. 10,00,000/- consisting of 1,00,000 Equity shares of Rs.10/- each.
3.	December 10th, 2018	EGM	The authorized share capital of Rs. 10,00,000/-consisting of 1,00,000 Equity Shares of Rs.10/-each was increased to Rs.21,00,00,000/-consisting of 2,10,00,000 Equity shares of Rs.10/- each.
4.	January 21, 2019	EGM	The authorized share capital of ₹21,00,00,000 divided into 2,10,00,000 equity shares of ₹10 each was increased to ₹21,50,00,000 divided into 2,15,00,000 equity shares of ₹10 each.
5.	September 24, 2020	AGM	The authorized share capital of Rs. 21,50,00,000/- consisting of 2,15,00,000 Equity Shares of Rs.10/- each was increased to Rs. 25,00,00,000/- consisting of 2,50,00,000 Equity shares of Rs.10/- each

**Note:**

The present issue of 37,05,600 equity shares in terms of this Draft Prospectus has been authorized by a resolution of our Board dated August 26,2020 and by a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the 12<sup>th</sup> AGM by the shareholders of our Company held on September 24,2020.

The company has one class of share capital i.e. Equity Shares of Face value of Rs.10/- each only. All equity shares issued are fully paid-up. Our Company has no outstanding Convertible Instruments as on date of this Draft Prospectus.

**NOTES TO THE CAPITAL STRUCTURE:**

**1. Share Capital History:**

**Our existing Share Capital has been subscribed and allotted as under:**

Date of Allotment	No. of Equity Shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Reason / Nature of Allotment	Cumulative No. of Equity Shares
On Incorporation (June 13, 2008)	10,000	10	10	Cash	Subscription to MoA <sup>1</sup>	10,000
March 18, 2010	10,000	10	20	Cash	Preferential allotment <sup>2</sup>	20,000
March 31, 2010	41,600	10	25	Cash	Preferential allotment <sup>3</sup>	61,600
February 28, 2012	60	10	20	Cash	Preferential allotment <sup>4</sup>	61,660
June 26, 2013	38,340	10	10	Cash	Preferential allotment <sup>5</sup>	1,00,000
January 01, 2019	1,10,105	10	660	Cash	Preferential allotment <sup>6</sup>	2,10,105

January 03, 2019	25,395	10	660	Cash	Preferential allotment <sup>7</sup>	2,35,500
January 07, 2019	1,53,07,500	10	10	Other than cash	Bonus Shares (65:1) <sup>8</sup>	1,55,43,000
March 22, 2019	57,50,000	10	51	Cash	Initial Public Offer <sup>9</sup>	2,12,93,000

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

Sr. No	Name of the Person	No of Shares Subscribed
1.	Mr. Dinesh Soni	5,000
2.	Mr. JitendraSoni	5,000
<b>Total</b>		<b>10,000</b>

2. Further Allotment as on November 01, 2008 of 10,000 Equity Shares of face value of Rs. 10 each fully paid up of Rs 20/- per share including premium of Rs. 10/-per share, the details are given below:

Sr. No	Name of the Person	No of Shares Subscribed
1.	Mrs. Sangeetaben Soni	2,500
2.	Mr. Uttambhai Soni	2,500
3.	Mr. Nareshkumar Soni	2,500
4.	Mrs. Sumitraben Soni	2,500
<b>Total</b>		<b>10,000</b>

3. Further Allotment as on March 26, 2009 of 41,600 Equity Shares of face value of Rs. 10 each fully paid up of Rs 25/- per share including premium of Rs. 15/-per share, the details are given below:

Sr. No	Name of the Person	No of Shares Subscribed
1.	Mr. Virchand Chauhan	18,400
2.	Mr. Ramesh Chauhan	11,200
3.	Mr. Ganpatlal Soni	12,000
<b>TOTAL</b>		<b>41,600</b>

4. Further Allotment as on December 28, 2010 of 60 Equity Shares of face value of Rs. 10 each fully paid up of Rs 20/- per share including premium of Rs. 10/-per share, the details are given below:

Sr. No	Name of the Person	No of Shares Subscribed
1.	M/s.Uttamkumar Soni HUF	10
2.	Mr. Uttamkumar Soni	10
3.	M/s. Nareshkuma rSoni HUF	10
4.	Mr. Nareshkumar Soni	10
5.	Mrs. Sumitra Soni	10
6.	Mrs. Sangitaben Soni	10
<b>Total</b>		<b>60</b>

5. Further Allotment as on June 30, 2016 of 38,340 Equity Shares of face value of Rs. 10 each fully paid up at par, the details are given below:

Sr. No	Name of the Person	No of Shares Subscribed
1.	Mr. Dinesh Soni	12,780
2.	Mr. Jitendra Soni	12,780
3.	Mr. Saremal Soni	12,780
<b>Total</b>		<b>38,340</b>

6. Further Allotment as on January 01, 2019 of 1,10,105 Equity Shares of face value of Rs. 10 each fully paid up of Rs. 660/- per share including premium of Rs. 650/-per share, the details are given below:

Sr. No	Name of the Person	No of Shares Subscribed
1.	Mr. Saremal Soni	17,104
2.	Mr. Dineshkumar Soni	11,528
3.	Mr. Jitendrakumar Soni	9,336
4.	Mrs.Narmadadevi Soni	11,085
5.	Mrs.Kiranben Soni	11,414
6.	Mrs.Alkaben Soni	8,065
7.	M/s. Saremal Soni HUF	16,110
8.	M/s. Dineshkumar Soni HUF	18,285
9.	M/s. Jitendrakumar Soni HUF	7,178
<b>TOTAL</b>		<b>1,10,105</b>

7. Further Allotment as on January 03, 2019 of 25,395 Equity Shares of face value of Rs. 10 each fully paid up of Rs 660/- per share which including premium of Rs. 650/-per share, the details are given below:

Sr. No	Name of the Person	No of Shares Subscribed
1.	Mr. Saremal Soni	7,716
2.	Mr. Dineshkumar Soni	782
3.	Mr. Jitendrakumar Soni	1,329
4.	Mrs.Narmadadevi Soni	10,070
5.	Mrs.Kiranben Soni	936
6.	M/s.Saremal Soni HUF	1,785
7.	M/s.Dineshkumar Soni HUF	1,125
8.	M/s.Jitendrakumar Soni HUF	1,642
9.	Mr. Jitendrakumar k. Soni	10
<b>TOTAL</b>		<b>25,395</b>

8. Bonus Issue of 1,53,07,500 Equity Share in the ratio of 65:1 as on January 07, 2019 as per the details given below:

Sr. No	Name of the Person	No of Shares Subscribed
1.	Mr. Saremal Soni	31,72,000
2.	Mr. Dineshkumar Soni	22,80,850
3.	Mr. Jitendrakumar Soni	21,77,825
4.	Mrs. Narmadadevi Soni	21,55,075
5.	Mrs. Kiranben Soni	14,00,750
6.	Mrs. Alkaben Soni	11,22,225
7.	M/s.Saremal Soni HUF	11,63,175
8.	M/s.Dineshkumar Soni HUF	12,61,650

9.	M/s.Jitendrakumar Soni HUF	5,73,300
10.	Mr. Jitendrakumar k. Soni	650
<b>TOTAL</b>		<b>1,53,07,500</b>

9. Initial Public issue of 57,50,000 Equity Shares of Rs 10/- each at a price of Rs 51/- per share on March 7,2019.

**2. Equity Share Issued for consideration other than cash:**

- a) Except as set out below, our Company has not issued Equity Shares for consideration other than cash.

Further, no benefits have accrued to our Company on account of allotment of Equity Shares for consideration other than cash:

Date of Bonus Shares allotment	Ratio of Bonus Issue	No. of Equity Shares Issued as Bonus Shares	Face value of the shares (Rs.)	Amount of Profit and Loss and Security premium Account
January 07, 2019	65:1	1,53,07,500	10	15,30,75,000

- b) Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
3. Further, our Company has not allotted any Equity Shares pursuant to any scheme approved under section 230-234 of the Companies Act, 2013.
4. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI Share Based Employee Benefits Regulations, 2014.
5. Our Company has not issued any Equity Shares during a period of one year preceding the date of the Draft Prospectus at a price lower than the Issue price.

**6. Our Shareholding Pattern:**

The shareholding pattern of our company in accordance with Regulation 31 of SEBI(LODR) Regulations, 2015, as on September 30,2020:



**i. Summary of Shareholding Pattern:**

Category (I)	Category of shareholder (II)	Nos of shareholders (III)	No of fully paid-up equity shares held (IV)	No of Partly paid-up equity shares held (V)	No of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares(calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No of Voting Rights	Total as a % of (A+B+C)				No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)		
(A)	Promoter & Promoter Group	9	1,55,42,340	0	0	1,55,42,340	72.99	1,55,42,340	0	0	72.99	0	0	44,58,675	28.69	0	0	1,55,42,340
(B)	Public	147	57,50,660	0	0	57,50,660	27.01	57,50,660	0	0	27.01	0	0	0	0	0	0	57,50,660
(C)	Non Promoter-Non Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(C1)	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
	<b>TOTAL</b>	<b>156</b>	<b>2,12,93,000</b>	<b>100</b>	<b>0</b>	<b>2,12,93,000</b>	<b>100</b>	<b>2,12,93,000</b>	<b>0</b>	<b>0</b>	<b>100.00</b>	<b>0</b>	<b>0</b>	<b>44,58,675</b>	<b>28.69</b>	<b>N.A</b>	<b>N.A</b>	<b>2,12,93,000</b>

**Note:**

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

**7. The shareholding pattern before and after the Issue:**

Sr. No	Name of share holder	Pre-issue		Post Issue	
		No of equity shares	As a % of Issued Capital	No of equity shares	As a % of Issued Capital
<b>(i) Promoter</b>					
1	Mr. Saremal Soni	3220800	15.13	3220800	12.88
2	Mr. Dinesh Soni	2315940	10.88	2315940	9.26
3	Mr. Jitendra Soni	2211330	10.39	2211330	8.85
	<b>TOTAL (A)</b>	<b>7748070</b>	<b>36.40</b>	<b>7748070</b>	<b>30.99</b>
<b>(ii) Promoter Group</b>					
4	Mrs. Narmadadevi Soni	2188230	10.28	2188230	8.75
5	Mrs. Kiranben Soni	1422300	6.68	1422300	5.69
6	M/s Dineshkumar Soni HUF	1281060	6.02	1281060	5.12
7	M/s Saremal Soni HUF	1181070	5.55	1181070	4.72
8	Mrs. Alkaben Soni	1139490	5.35	1139490	4.56
9	M/s Jitendrakumar Soni HUF	582120	2.73	582120	2.33
	<b>TOTAL (B)</b>	<b>7794270</b>	<b>36.60</b>	<b>7794270</b>	<b>31.18</b>
<b>(iii) Public</b>					
10	Public	5750660	27.00	5750660	23.00
	FPO			3705600	14.82
	<b>TOTAL (C)</b>	<b>5750660</b>	<b>0.00</b>	<b>9456260</b>	<b>37.82</b>
	<b>TOTAL (A+B+C)</b>	<b>21293000</b>	<b>100.00</b>	<b>24998600</b>	<b>100.00</b>

**8. Details of Major Shareholders**

**i. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on January 22, 2021:**

Our Company is listed on BSE SME Exchange. Hence, trading of the Equity Shares is on continuing basis and therefore we have taken previous trading day List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company.

Sr.No.	Name of shareholder	No. of Shares	% of Shares Capital
1.	Saremal Soni	3220800	15.13
2.	Dinesh Soni	2315940	10.88
3.	Jitendra Soni	2211330	10.39
4.	Narmadadevi Soni	2188230	10.28
5.	NSI Infinium Global Private Limited	1860000	8.74
6.	Kiranben Soni	1422300	6.68
7.	Dineshkumar Soni HUF	1281060	6.02
8.	Saremal Soni HUF	1181070	5.55

9.	Alkaben Soni	1139490	5.35
10.	Affluence Gems private Limited	930000	4.37
11.	EZI ventures Private Limited	590000	2.77
12.	Jitendrakumar Soni HUF	582120	2.73
13.	Jhaveri Trading and Investment private Limited	546000	2.66
14.	NNM Securities Private Limited	344000	1.62
<b>TOTAL</b>		<b>19812340</b>	<b>93.05</b>

ii. **List of Shareholder holding 1.00% or more of the paid-up capital of the company ten days prior to the date of the Draft Prospectus i.e. as on January 15, 2021:**

Sr.No.	Name of shareholder	No. of Shares	% of Shares Capital
1.	Saremal Soni	3220800	15.13
2.	Dinesh Soni	2315940	10.88
3.	Jitendra Soni	2211330	10.39
4.	Narmadadevi Soni	2188230	10.28
5.	NSI Infinium Global Private Limited	1860000	8.74
6.	Kiranben Soni	1422300	6.68
7.	Dineshkumar Soni HUF	1281060	6.02
8.	Saremal Soni HUF	1181070	5.55
9.	Alkaben Soni	1139490	5.35
10.	Affluence Gems private Limited	930000	4.37
11.	EZI ventures Private Limited	590000	2.77
12.	Jitendrakumar Soni HUF	582120	2.73
13.	Jhaveri Trading and Investment private Limited	546000	2.66
14.	NNM Securities Private Limited	344000	1.62
<b>TOTAL</b>		<b>19812340</b>	<b>93.05</b>

iii. **List of Shareholder holding 1.00% or more of the paid-up capital of the company one years prior to the date of the Draft Prospectus i.e. as on January 25, 2020:**

Sr.No.	Name of shareholder	No. of Shares	% of Shares Capital
1.	Saremal Soni	3220800	15.13
2.	Dinesh Soni	2315940	10.88
3.	Jitendra Soni	2211330	10.39
4.	Narmadadevi Soni	2188230	10.28
5.	NSI Infinium Global Private Limited	1860000	8.74
6.	Kiranben Soni	1422300	6.68
7.	Dineshkumar Soni HUF	1281060	6.02
8.	Saremal Soni HUF	1181070	5.55
9.	Alkaben Soni	1139490	5.35
10.	Affluence Gems private Limited	930000	4.37
11.	EZI ventures Private Limited	590000	2.77
12.	Jitendrakumar Soni HUF	582120	2.73
13.	Jhaveri Trading and Investment Private Limited	540000	2.54
14.	NNM Securities Private Limited	272000	1.23

<b>TOTAL</b>	<b>19734340</b>	<b>92.68</b>
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**iv. List of Shareholder holding 1.00% or more of the paid-up capital of the company two years prior to the date of the Draft Prospectus:**

<b>Sr.No.</b>	<b>Name of shareholder</b>	<b>No. of Shares</b>	<b>% of Shares Capital</b>
1.	Saremal Soni	3220800	20.72
2.	Dinesh Soni	2315940	14.90
3.	Jitendra Soni	2211330	14.23
4.	Narmadadevi Soni	2188230	14.08
5.	Kiranben Soni	1422300	9.15
6.	M/s.Saremal Soni HUF	1281060	8.24
7.	M/s.Dineshkumar Soni HUF	1181070	7.60
8.	Alkaben Soni	1139490	7.33
9.	M/s. Jitendrakumar Soni HUF	582120	3.75
<b>TOTAL</b>		<b>15542340</b>	<b>100.00</b>

9. As on date of this Draft Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.

10. Our Company has made initial public issue of 57,50,000 Equity shares of Rs 10/- each at a price of Rs. 51/- per share aggregating to Rs. 2,932.50 Lakhs vide prospectus dated March 7,2019.

11. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment and right issue or in any other manner during the period commencing from the date of the Draft Prospectus until the Equity Shares have been listed. Further, our Company presently does not have any intention or proposal to alter our capital structure within a period of six months from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise except that if we enter into acquisition(s) or joint ventures, we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.

**12. Share Capital Build-up of our Promoter & Lock-in**

Our Promoter had been allotted Equity Shares from time to time. The following is the Equity share capital build-up of our Promoters.

<b>Date of Allotment / Transfer</b>	<b>Nature of Issue/ Allotment (Bonus, Rights etc)</b>	<b>Consi derati on</b>	<b>No. of Equity Shares</b>	<b>Cumula tive No. of Equity Shares</b>	<b>Face Value (Rs.)</b>	<b>Issue/ Transf er Price</b>	<b>% of total Issued Capital</b>		<b>Lock In Period</b>
							<b>Pre- Issue</b>	<b>Post- Issue</b>	
<b>Mr. Saremal Soni</b>									
September 25, 2009	Transfer from Ramesh P. Chauhan	Cash	11200	11200	10	10	0.05	0.04	1 year

Date of Allotment / Transfer	Nature of Issue/ Allotment (Bonus, Rights etc)	Consideration	No. of Equity Shares	Cumulative No. of Equity Shares	Face Value (Rs.)	Issue/ Transfer Price	% of total Issued Capital		Lock In Period
							Pre-Issue	Post-Issue	
June 30, 2016	Preferential Issue	Cash	12780	23980	10	10	0.06	0.05	1 year
January 01, 2019	Preferential Issue	Cash	17104	41084	10	660	0.08	0.07	1 year
January 03, 2019	Preferential Issue	Cash	7716	48800	10	660	0.04	0.03	1 year
January 07, 2019	Bonus Issue	N. A	2430880	2479680	10	-	11.41	9.72	1 year
January 07, 2019	Bonus Issue	N. A	741120	3220800	10	-	3.48	2.96	3 Years
	<b>TOTAL (A)</b>		<b>3220800</b>				<b>15.13</b>	<b>12.88</b>	
<b>Mr. Dinesh Soni</b>									
June 13, 2008	Subscriber to Memorandum	Cash	5000	5000	10	10	0.02	0.02	1 year
September 25, 2009	Transfer from Sangeetaben N. Soni	Cash	2500	7500	10	10	0.01	0.01	1 year
September 25, 2009	Transfer from Nareshkumar G. Soni	Cash	2500	10000	10	10	0.01	0.01	1 year
June 30, 2016	Preferential Issue	Cash	12780	22780	10	10	0.06	0.05	1 year
January 01, 2019	Preferential Issue	Cash	11528	34308	10	660	0.05	0.05	1 year
January 03, 2019	Preferential Issue	Cash	782	35090	10	660	0.00	0.00	1 year
January 07, 2019	Bonus Issue	Cash	2280850	2315940	10	-	10.71	9.12	April 10, 2022 <sup>#</sup>
	<b>TOTAL (B)</b>		<b>2315940</b>				<b>10.88</b>	<b>9.26</b>	
<b>Mr. Jitendra Soni</b>									
June 13, 2008	Subscriber to Memorandum	Cash	5000	5000	10	10	0.02	0.02	1 year
September 25, 2009	Transfer from Uttambhai G. Soni	Cash	2500	7500	10	10	0.01	0.01	1 year
September 25, 2009	Transfer from Sumitraben U. Soni	Cash	2500	10000	10	10	0.01	0.01	1 year
June 30, 2016	Preferential Issue	Cash	12780	22780	10	10	0.06	0.05	1 year
November 30, 2018	Transfer from Sangeetaben N. Soni	Cash	10	22790	10	660	0.00	0.00	1 year

Date of Allotment / Transfer	Nature of Issue/ Allotment (Bonus, Rights etc)	Consideration	No. of Equity Shares	Cumulative No. of Equity Shares	Face Value (Rs.)	Issue/ Transfer Price	% of total Issued Capital		Lock In Period
							Pre-Issue	Post-Issue	
November 30, 2018	Transfer from Uttambhai G. Soni	Cash	10	22800	10	660	0.00	0.00	1 year
November 30, 2018	Transfer from Naresh kumar G. Soni	Cash	10	22810	10	660	0.00	0.00	1 year
November 30, 2018	Transfer from Sumitraben U. Soni	Cash	10	22820	10	660	0.00	0.00	1 year
November 30, 2018	Transfer from Uttam kumar Ganpatlal Soni HUF	Cash	10	22830	10	660	0.00	0.00	1 year
November 30, 2018	Transfer from Naresh kumar Ganpatlal Soni HUF	Cash	10	22840	10	660	0.00	0.00	1 year
January 01, 2019	Preferential Issue	Cash	9336	32176	10	660	0.04	0.04	1 year
January 03, 2019	Preferential Issue	Cash	1329	33505	10	660	0.01	0.01	1 year
January 07, 2019	Bonus	NA	2177825	2211330	10	-	10.23	8.71	April 10, 2022 <sup>#</sup>
	<b>Total (C)</b>		<b>2211330</b>				<b>10.39</b>	<b>8.55</b>	

<sup>#</sup> The promoter's contribution of 44,58,675 equity shares has been locked in the initial public issue for Three years up to April 10, 2022.

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

13. None of our Promoters, Promoters Group, Directors and their relatives have purchased or sold the equity share of our company during the past six months immediately preceding the date of filing Draft Prospectus;

14. The members of the Promoter Group, our Directors or the relatives of our Directors have not 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 six months preceding the date of filing of the Draft Prospectus.

#### 15. Lock in of Promoters:

a) As per regulation 281 of the SEBI (ICDR) Regulations an issuer listed on a SME exchange making a further public offer do so by adhering to applicable requirements mentioned in these regulations. As per clause 1 (a) Regulation 113 of the SEBI (ICDR) Regulations, The promoters shall contribute

either to the extent of 20% of the proposed issue size or to the extent of 20% of the post issue Capital. As per Clause 115 of the SEBI (ICDR) Regulations, the minimum promoter contribution shall be locked in for a period of three years from the date of commencement of commercial production or from the date of allotment in the further public issue, whichever is later.

- b) The lock in of the promoter's contribution would be created as per applicable law. Either the 20% of the proposed issue size as promoters contribution 7,41,120 equity shares (20% of the Proposed issue size) or 20% of the Post-Issue Equity Share Capital of our Company i.e. 49,99,720 equity shares shall be locked in by our Promoter for three years. The promoter's contribution of 44,58,675 equity shares has been locked in the initial public issue for Three years up to April 10,2022. The additional 7,41,120 equity shares will be locked in for three years from the date of allotment in the proposed Further public issue and the last date of lock-in shall be reckoned as three years from the date of commencement of commercial production or the date of allotment in the Further public issue whichever is later. ("**Minimum Promoters' contribution**").

The Promoters' contribution has been brought in to the extent of not less than the specified minimum amount and has been contributed by the persons defined as Promoter under the SEBI ICDR Regulations. Our Company has obtained written consents from our Promoters for the lock-in of 7,41,120 Equity Shares for three years. The Equity Shares that are being locked in are not ineligible for minimum promoters' contribution in terms of Regulation 114 of the SEBI (ICDR) Regulations, 2018. In connection, we confirm the following.

- The equity shares offered for minimum 20% promoters' contribution have not been acquired in the preceding three years before the date of draft prospectus for consideration other than cash and revaluation of assets or capitalisation of intangible assets is involved in such transaction nor resulted from a bonus issue by utilisation of revaluation reserves or unrealised profits of the issuer or from bonus issue against equity shares which are ineligible for minimum promoters' contribution;
- The minimum promoters Contribution does not include Equity Shares acquired by our Promoters during the preceding one (1) year, at a price lower than the price at which Equity Shares are being offered to the public in the Issue;
- The minimum promoters Contribution does not include Equity shares pledged with any creditor.

**c) Equity Shares of Promoter locked-in for one year**

In addition to 49,99,720 shareholding of our Company shall be locked-in for three years as the minimum Promoters' contribution, the balance Pre-Issue Paid-up Equity Share Capital i.e. 27,48,350 Equity Shares, would be locked-in for a period of one year from the date of Allotment in the proposed Initial Public Offering as provided in clause (b) of Regulations 115(b) of SEBI (ICDR) Regulations, 2018.

**16. Transferability of Lock-in securities:**

In terms of Regulation 120 of the SEBI (ICDR) Regulations, 2018, the Equity Shares held by our Promoters which are locked in as per the provisions of Regulation 115 of the SEBI (ICDR) Regulations, 2018, may be transferred to another Promoter or any person of the promoter group or a new promoter or a person in control of the issuer company, subject to continuation of lock-in in the hands of transferees for the remaining period with the transferee and such transferee shall not be eligible to transfer them till the lock in period stipulated in these regulations has expired and

compliance of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable.

**17. Other requirements in respect of 'lock-in'**

In terms of Regulation 119 of the SEBI (ICDR) Regulations, 2018 the locked-in Equity Shares held by our Promoter can be pledged only with any scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or financial institutions, subject to the following:

- If the specified securities are locked-in in terms of clause (a) of Regulation 115 of the SEBI (ICDR) Regulations, 2018, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the issue and the pledge of specified securities is one of the terms of sanction of the loan;
- If the specified securities are locked-in in terms of clause (b) of Regulation 115 of the SEBI (ICDR) Regulations, 2018, and the pledge of specified securities is one of the terms of sanction of the loan.

18. In terms of regulations 118 of the SEBI(ICDR) Regulations, 2018, our Company confirms the securities issued in dematerialized form then the lock-in is recorded by the depository.
19. Our Company, our Directors and the Lead Manager to this Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares issued by our Company.
20. All the Equity Shares of our Company are fully paid up equity shares as on the date of the Draft Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up equity shares.
21. None of our Promoter has acquired any shares from the secondary market.
22. Neither the Lead Manager, nor their associates hold any Equity Shares of our Company as on the date of the Draft Prospectus.
23. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI Share Based Employee Benefits Regulations, 2014.
24. 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 LM and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines
25. As per RBI regulations, OCBs are not allowed to participate in this Issue.
26. Our Company has not raised any bridge loan against the proceeds of this Issue. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of the Net Proceeds.



27. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
28. An Applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
29. No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
30. Our Promoter and the members of our Promoter Group will not participate in this Issue.
31. As on date of this Draft Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.
32. Our Company shall ensure that transactions in the Equity Shares by the Promoter Group between the date of registering Prospectus with the Registrar of Companies and the Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction.
33. Our Company did not make any Preferential Allotment, Bonus Issue or Qualified Institutional Placement after being listed on the stock exchange.
34. None of our Key Managerial holds any Equity Shares in our Company.
35. As on date of this Draft Prospectus, our Company have 155 shareholders.

## SECTION IV - PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The issue comprises of further issue of 37,05,600 Equity Shares by our Company aggregating up to ₹3001.54 Lakhs (“Further issue”).

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

1. Establishment of Jewellery manufacturing Unit
  2. Meeting working capital requirements; and
  3. General corporate purposes
- (Collectively referred to as “Objects”)

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

#### Net Proceeds

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

Sr. No.	Particulars	Estimated Amount (₹ In lakhs)
1.	Gross proceeds from the issue	3001.54
2.	Less: Issue related expenses	51.54
<b>Net proceeds of the issue</b>		<b>2950.00</b>

#### Requirement of funds and utilization of Net Proceeds

Sr. No.	Particulars	Estimated Amount (₹ In lakhs)
4.	Establishment of Jewellery manufacturing Unit	100.00
5.	Meeting working capital requirements	2125.00
6.	General corporate purposes	725.00
<b>Total utilization of net proceeds</b>		<b>2950.00</b>

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

In the event of shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilizing our internal accruals or seeking debt financing.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please see the section titled “Risk Factors” beginning on page no. 17 of this Draft Prospectus.

### Schedule of implementation and Deployment of Net Proceeds

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

(₹ In lakhs)

Sr. No.	Particulars	Total estimated costs	Amount already deployed	Estimated utilization of net proceeds in FY 2020-2021	Estimated utilization of net proceeds in FY 2021-2022
1.	Establishment of Jewelry manufacturing Unit	100.00		50.00	50.00
2.	Meeting working capital requirements	2125.00	-	325.00	1800.00
3.	General corporate purposes <sup>1</sup>	725.00	-	-	725.00
	<b>Total</b>	<b>2950.00</b>	<b>-</b>	<b>375.00</b>	<b>2575.00</b>

<sup>1</sup>The amount utilized for general corporate purposes shall not exceed 25.00% of the gross proceeds of the issue.

As indicated above, our Company proposes to deploy the entire Net Proceeds towards the objects as described in the Financial Year 2020-21 and 2021-22. In the event that the estimated utilization of the Net Proceeds in a Financial Year 2022 is not completely met, the same shall be utilized, in part or full, in the next Financial Year or a subsequent period towards the Objects.

### Means of Finance

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

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

### DETAILS OF THE OBJECTS OF THE ISSUE

#### 1. Establishment of jewellery manufacturing unit

Our Company is planning to set up another manufacturing unit at Ahmedabad, Gujarat, India. The overall cost of establishment of jewellery manufacturing unit will be ₹100 lakhs. The following table provides the estimated expenses related to establishment of jewellery manufacturing unit:

(₹in lakhs)

Sr. No.	Particulars	Total estimated cost
---------	-------------	----------------------

a)	Furniture and fixtures	75.00
b)	Contingency expenses	25.00
	<b>Total</b>	<b>100.00</b>

### Break-up of expenses

#### a) Land and building

Our Company has finalised the purchase of building at “Raveesh Complex” Besides Jalaram Chaas, Nr Ganesh Plaza, Navrangpura, Ahmedabad. The total area of the Complex is around 152.6 sq. mts. The Company will start Jewellery manufacturing unit at that place. The total cost of the premises will be Rs.58.91 Lakhs (without Registration and Stamp Duties) and the same will be financed by the Company from its own sources.

#### b) Furniture and fixtures

Our Company is going to set up the jewellery manufacturing unit at “Raveesh Complex” Besides Jalaram Chaas, Nr. Ganesh Plaza, Navrangpura, Ahmedabad and the total cost of the furniture and Fixtures including strong locker, CCTV System and Computer system as per the management estimate will be around ₹75.00 Lakhs.

#### c) Contingency expenses

We have estimated our contingency expenses to be ₹25.00 Lakhs.

## 2. Meeting long term working capital requirements

Our Company is engaged in the business of wholesale Manufacturing of jewellery. Our main raw material is gold and other precious stones. The inventory of gold will help us to increase the volume of our business.

Our business is working capital intensive. As on 31st March, 2020, our company’s net working capital requirement was ₹3901.55 Lakhs as against ₹4056.94 Lakhs as on 31st March, 2019. The net working capital requirement for financial year 2021-22 is estimated to be ₹6325.00 Lakhs, the same is finance by existing equity capital of Rs. 4200.00 lakhs and incremental working capital requirement of ₹2125.00 Lakhs will be met through the public issue. As on the date of this draft prospectus we meet our working capital requirements of business through internal accruals and fund raised in the initial public issue of shares.

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

(Rs in lakhs)

Particulars	2018-19	2019-2020	Up to 30.09.2020	2021-22
<b>Current Assets</b>				
Inventories	2165.60	2727.69	3101.03	4931.51
Trade Receivables	352.68	1036.12	747.66	1643.84
Cash and Bank Balances	58.94	84.64	73.27	52.84
Short term Loans and Advances	643.41	254.75	340.81	400.00
Other Current Assets	987.76	122.47	148.21	200.00
<b>Total Current Assets (A)</b>	<b>4208.39</b>	<b>4225.67</b>	<b>4410.98</b>	<b>7228.18</b>
<b>Current Liabilities</b>				
Trade Payables	107.01	80.71	76.09	453.18
Other Liabilities	18.28	75.43	90.92	200.00

Particulars	2018-19	2019-2020	Up to 30.09.2020	2021-22
Short Term Liabilities	26.16	167.98	167.05	250.00
<b>Total Current Liabilities (B)</b>	<b>151.45</b>	<b>324.12</b>	<b>334.06</b>	<b>903.18</b>
<b>Net working capital requirements (A – B)</b>	<b>4056.94</b>	<b>3901.55</b>	<b>4076.92</b>	<b>6325.00</b>
<i>Sources of funds</i>				
<b>Equity Capital</b>	<b>4056.94</b>	<b>3901.55</b>	<b>4076.92</b>	<b>4200.0</b>
<b>Total Funding</b>				
<b>Additional funding through IPO Proceeds</b>			<b>2125.00</b>	

### Key assumptions for working capital requirements

Particulars	No of days outstanding or holding level as on			Justification
	FY 2018-19	FY 2019 – 20	FY 2021 – 22	
Finished Goods	90	83	90	Estimate for FY 2021-22 is on the basis of past two years stocking period. September,2020 figures are not comparable with the full year operation and due to closure of economic activity due to covid 19
Trade Receivables	31	32	30	Estimate for FY 2021-22 is on the basis of past two years stocking period. September 2020 figures are not comparable with the full year operation and due to closure of economic activity due to covid 19
Trade Payables	9	3	14	Estimate for FY 2021-22 is on the basis of past two years stocking period. September 2020 figures are not comparable with the full year operation and due to closure of economic activity due to covid 19

### 3. General corporate purposes

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

Our management will have flexibility in applying Rs. 725.00 Lakhs of the Net Proceeds towards general corporate purposes, including but not restricted to financing working capital requirements, capital expenditure, acquiring business premises, meeting exigencies etc or any other purpose as may be approved by our Board, subject to compliance with the necessary provisions of the Companies Act.

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

### Issue Related Expenses

The total expenses of the Issue are estimated to be approximately ₹51.54 lakhs. The expenses of this include, among others, underwriting and lead manager fees, printing and distribution expenses, advertisement expenses, legal fees and listing fees. The estimated issue expenses are as follows:

Activity	Estimated expenses (₹ in lakhs)	As a % of total estimated issue related expenses	As a % of Gross Issue Size
Lead Manger Fees including Underwriting Commission.	24.78	48.08%	0.83%
Brokerage, selling commission and upload fees	2.00	3.88%	0.07%
Registrar to the Issue	0.75	1.46%	0.02%
Legal Advisors	2.50	4.85%	0.08%
Advertising and marketing expenses	2.00	3.88%	0.07%
Regulators including stock exchanges	5.40	10.48%	0.18%
Printing and distribution of issue stationary	2.11	4.09%	0.07%
Others (Market Making fees etc.)	12.00	23.28%	0.40%
<b>Total estimated issue related expenses</b>	<b>51.54</b>	<b>100.00%</b>	<b>1.72%</b>

**Notes**

1. The fund deployed up to December 31, 2020 is Rs. Nil towards issue expenses vide certificate dated January 22, 2021 having UDIN: 21052725AAAAAM8183 received from M/s Bhagat & Co., Chartered Accountants.
2. Structure for commission and brokerage payment to the SCSBs Syndicate, RTAs, CDPs and SCSBs

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

3. No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them
4. The commissions and processing fees shall be payable within 30 working days post the date of receipt of final invoices of the respective intermediaries.
5. Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price

**Interim use of Net Proceeds**

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

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

**Bridge Financing Facilities**

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

**Appraisal Report**

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

**Monitoring Utilization of Funds**

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

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

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

**Variation in Objects**

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

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

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

**Other Confirmation**

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



## BASIS FOR ISSUE PRICE

The Issue Price of ₹81.00/- per Equity Share is determined by our Company, in consultation with the Lead Manager on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is ₹10.00/- per Equity Share and Issue Price is ₹81.00/- per Equity Share. The Issue Price is 8.10 (Eight point Ten) times the face value.

Investors should refer sections / chapters titled “Risk Factors”, “Financial Statements”, “Management Discussion and Analysis of Financial Condition and Results of Operations” and “Business Overview” beginning on page 17, 124,148 and 79 respectively of this Draft Prospectus to get an informed view before making an investment decision. The trading price of the Equity shares of our Company could decline due to risk factors and you may lose all or part of your investments.

### Qualitative Factors

Some of the Qualitative Factors, which form the basis for computing the price was

- Vast experience of over Two decades with sound market knowledge:
- Prime Location of our Showroom.
- Design, Innovation and Product range
- Long term relations with clients
- Quality of our products
- Strong in-house designing capabilities
- Supplier to Reputed Retail Show Rooms (Companies)

For further details, please refer to the paragraph titled “*Our Competitive Strengths*” in the chapter titled “*Business Overview*” beginning on page 79 of this Draft Prospectus.

### Quantitative Factors

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

#### 1) Basic and Diluted Earnings Per Share (EPS)

Year ended	Basic and Diluted EPS	Weights
March 31, 2018	7.30	1
March 31, 2019	0.32	2
March 31, 2020	0.22	3
<b>Weightage Average EPS</b>	<b>1.43</b>	
<b>September 30, 2020*</b>	<b>1.15</b>	

\*Not Annualized

**Note:** Basic and Diluted EPS = Net Profit (Loss) after tax as restated attributable to Equity Shareholders / weighted average no of equity shares outstanding during the year as per restated financials.

#### 2) Price to Earnings (P/E) ratio in relation to Issue Price ₹81.00/- per Equity Share of ₹10.00/- each fully paid up

Particulars	P/E ratio
-------------	-----------

P/E ratio based on Basic and diluted EPS as at March 31, 2020	368.18
P/E ratio based on Weighted Average Basic and diluted EPS	56.51
P/E ratio based on Basic and diluted EPS as at September 30, 2020*	70.43
<b>**Industry</b>	
Highest	13.00
Lowest	5.92
Average	9.46

\*Not Annualized

\*\*Industry comprise of D.P. Abhushan Limited and Moksh Ornaments Limited.

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

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

Year Ended	RONW (%)	Weight
March 31, 2018	1.11	1
March 31, 2019	0.85	2
March 31, 2020	1.05	3
<b>Weighted Average</b>	<b>0.99</b>	
<b>September 30, 2020*</b>	<b>5.13</b>	

\*Not Annualized

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

- 1) Return on Net Worth (%) = Net Profit after tax attributable to owners of the Company, as restated / Net worth as restated as at year end.
- 2) Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.

### 4) Net Asset Value (NAV)

Particulars	₹ per share
Net Asset Value per Equity Share as of March 31, 2020	21.20
Net Asset Value per Equity Share as of September 30, 2020	22.37
Net Asset Value per Equity Share after FPO	30.06
Issue Price	81.00

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

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

### 5) Comparison with industry peers

Companies	CMP	EPS	PE Ratio	RON W (%)	NAV (Per Share)	Face Value	Total Income (₹in Lakhs)
Ashapuri Gold Ornament Limited	**81.00	0.22	368.18	1.05	21.20	10.00	12,065.90
<b>Peer Group</b>							
D.P. Abhushan Limited*	104.35	7.39	14.12	23.73	31.15	10.00	80,903.62
Moksh Ornaments Limited#	29.50	4.98	5.92	14.87	33.51	10.00	34,865.65

\*\* CMP of our Company is considered as an Issue Price

\*CMP as on January 15, 2021

# CMP as on January 05, 2021

Source: [www.nseindia.com](http://www.nseindia.com)

**Notes:**

- a) *Considering the nature and size of the business of our Company the peers are not strictly comparable. However, above company is included for broad comparison.*
- b) *The figures for Ashapuri Gold Ornaments Limited are based on the restated standalone financial statements for the year ended March 31, 2020.*
- c) *The figures for the peer group are for the year ended March 31, 2020 and are based on their respective Standalone financial statements filed with Stock Exchange. CMP of the peer group is as per the closing price as available on [www.nseindia.com](http://www.nseindia.com)*
- d) *NAV is computed as the closing net worth divided by the closing outstanding number of equity shares. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserves) and as attributable to the owners of the Company.*
- e) *P/E Ratio for the peer has been computed based on the closing market price of respective equity shares as on January 15, 2021 for D.P. Abhushan Limited and January 05, 2021 for Moksh Ornaments Limited sourced from website of Stock Exchange as divided by the Basic/diluted EPS as applicable.*
- f) *RONW is computed as net profit after tax, as attributable to the owners of the Company divided by closing net worth. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserves) and as attributable to the owners of the Company.*

For further details, please refer section titled “Risk Factors” beginning on page 17 of this Draft Prospectus and the financials of the Company including important profitability and return ratios, as set out in the section titled “Financial Statements” beginning on page 124 of this Draft Prospectus to have more informed view about the investment proposition. The Face Value is Rs.10.00/- per Equity Share and the Issuer Price Rs.81.00/- has been determined by the Issuer in consultation with the Lead Manager and is justified by the company in consultation with the Lead Manager on the basis of above information.

## STATEMENT OF TAX BENEFITS

To,  
The Board of Directors,  
ASHAPURI GOLD ORNAMENT LIMITED  
109 to 112A, 1st Floor Supermall,  
Nr. Lal Bungalow, C.G. Road,  
Ahmedabad - 380009

Dear Sir,

**Sub: Statement of Possible Special Tax Benefits available to Ashapuri Gold Ornaments Limited (the Company”) and its shareholders prepared in accordance with the requirements in Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (“SEBI ICDR Regulations”)**

We hereby report that the enclosed annexure, prepared by the management of the company, states the possible special tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 read with Income Tax Rules, Circulars, Notifications (‘Act’) as amended by the Finance Act, 2020, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfil.

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

Our views are based on the existing provisions of the Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retroactive, 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.

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

- A. the Company or its shareholders will continue to obtain these benefits in future; or
- B. the conditions prescribed for availing the benefits have been/would be met.
- C. The revenue authorities/court will concur with the views expressed herein

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

No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change

from time to time. We do not assume responsibility to update the views, consequence to such change. We shall not be liable to Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct.

We conducted our examination in accordance with the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)” (“Guidance Note”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

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

**For, Bhagat & Co**  
**Chartered Accountants**  
**Firm Reg No: 127250W**

**Shankar Bhagat**  
**Partner**  
**M. No: 52725**

**Place: Ahmedabad**  
**Date: January 18, 2021**  
**UDIN: 21052725AAAAAI3169**

## ANNEXURE

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

Outlined below are the possible special tax benefits available to Company and its shareholders under Tax Act 1961 (“the Act”) presently in force in India.

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

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

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

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

#### **Note:**

- The above statement of Direct Tax Benefits sets out the special tax benefits available to the Company and its shareholders under the current tax laws presently in force in India.
- The above statement covers only above-mentioned tax laws benefits and does not cover any indirect tax law benefits or benefit under any other law.
- Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. 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 change from time to time. We do not assume responsibility to update the views consequent to such changes.

## SECTION V – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

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

*Before deciding to invest in the Equity Shares, prospective investors should read this entire Draft Prospectus, including the information in the sections "Risk Factors" and "Financial Statements" on pages 17 and 124, respectively. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section 'Risk Factors' on page 17. Accordingly, investment decisions should not be based on such information.*

#### **SUMMARY:**

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

#### **Introduction**

The Gems and Jewellery sector plays a significant role in the Indian economy, contributing around 7 % of the country's GDP and 15% to India's total merchandise exports. It also employs over 4.64 million workers and is expected to employ 8.23 million by 2022. One of the fastest growing sectors, it is extremely export oriented and labour intensive. Based on its potential for growth and value addition, the Government of India has declared the Gems and Jewellery sector as a focus area for export promotion. India is deemed to be the hub of the global jewellery market because of its low costs and availability of high-skilled labour. India is the world's largest cutting and polishing centre for diamonds, with the cutting and polishing industry being well supported by government policies. India exports 75% of the world's polished diamonds, as per statistics from the Gems and Jewellery Export promotion Council (GJEPC). India's Gems and Jewellery sector has been contributing in a big way to the country's foreign exchange earnings (FEEs). The GOI has viewed the sector as a thrust area for export promotion. The Indian government presently allows 100% FDI in the sector through the automatic route.

#### **Gems and Jewellery Industry Analysis:**

The gems and jewellery sector plays a significant role in the Indian economy, contributing around 7% to country's GDP and 15% to India's total merchandise export. It employs over 4.64 million people, which is expected to reach 8.23 million by 2022. One of the fastest growing sectors, it is extremely export oriented and labour intensive.

Based on its potential for growth and value addition, the Government declared gems and jewellery sector as a focus area for export promotion. The Government has undertaken various measures recently to promote investment and upgrade technology and skills to promote 'Brand India' in the international market.

India is deemed to be the hub of the global jewellery market because of its low costs and availability of high-skilled labour. India is the world's largest cutting and polishing centre for diamonds, with the cutting and polishing industry being well supported by Government policies. Moreover, India exports 75% of the world's polished diamonds as per statistics from the Gem and Jewellery Export Promotion Council (GJEPC). India's Gems and Jewellery sector has been contributing in a big way to the country's foreign exchange earnings (FEEs). Government has viewed this sector as a thrust area for export promotion. The Indian Government presently allows 100% Foreign Direct Investment (FDI) in the sector through the automatic route. The sector employs over 4.64 million employees, which is expected to touch 8.23 million by 2022.

### **Market Size**

India's gems and jewellery sector is one of the largest in the world, contributing 29% to the global jewellery consumption. The sector is home to more than 300,000 gems and jewellery players. Its market size will grow by US\$ 103.06 billion during 2019–2023.

India's demand for gold reached 690.4 tones in 2019. India's gems and jewellery export stood at US\$ 29.07 billion in FY20. In the same period, India exported cut and polished diamonds worth US\$ 18.66 billion, thereby contributing 52.4% to the total gems and jewellery export.

India's import of gems and jewellery stood at US\$ 24.41 billion in FY20 and for FY21\* imports accounted to US\$ 4.23 billion.

India is one of the largest exporters of gems and jewellery and the industry is considered to play a vital role in the Indian economy as it contributes a major chunk to country's foreign reserves. The Goods and Services Tax (GST) will steer India's gold demand going forward.

### **Investment / Developments**

The gems and jewellery sector is witnessing changes in consumer preferences due to adoption of western lifestyle. Consumers are demanding new designs and varieties in jewellery, and branded jewellers have managed to fulfil their changing demands better than the unorganised players. Moreover, increase in per capita income has led to an increase in sales of jewellery as jewellery is a status symbol in India.

The cumulative Foreign Direct Investment (FDI) inflow in diamond and gold ornaments in the period April 2000 – March 2020 was US\$ 1.17 billion according to Department for Promotion of Industry and Internal Trade (DPIIT).

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



- In April 2020, majority of the players in the Indian market like Malabar Gold, Tanishq, and Joyalukkas offered jewellery online for Akshay Tritiya.
- Companies such as PC Jewellers, PNG Jewellers and Popley and Sons are planning to introduce a virtual-reality (VR) experience for their customers. The customer will have to wear a VR headset, through which they can select any jewellery, see it from different angles and zoom it to view intricate designs.

### **Government Initiatives**

- Indian Government made hallmarking mandatory for Gold Jewellery and Arte facts. A period of one year is provided for implementation i.e. till January 2021.
- As per Union Budget 2019–20, the GST rate was reduced from 18% to 5% (\*5% without Input Tax Credit (ITC)) for services by way of job work in relation to gems and jewellery, leather goods, textiles etc.
- The Bureau of Indian Standards (BIS) has revised the standard on gold hallmarking in India from January 2018. The gold jewellery hallmark will now carry a BIS mark, purity in carat and fitness as well as the unit's identification and the jeweller's identification mark. The move is aimed at ensuring a quality check on gold jewellery.
- The Gem and Jewellery Export Promotion Council (GJEPC) signed a memorandum of understanding (MoU) with Maharashtra Industrial Development Corporation (MIDC) to build India's largest jewellery park in at Ghansoli in Navi-Mumbai on 25 acres land with a capacity to have more than 5000 jewellery units of various sizes ranging from 500–10,000 square feet. The overall investment will be of Rs. 13,500 crore (US\$ 2.09 billion).
- Gold Monetisation Scheme enables individuals, trusts and mutual funds to deposit gold with banks and earn interest on the same in return.

### **The Road Ahead**

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

*Note: Conversion rate used in April 2020, Rs. 1 = US\$ 0.013123*

*\*Till September*

*Note: P – Provisional*

*(Source: <https://www.ibef.org/industry/gems-jewellery-india.aspx> )*

## Advantage India:



India's gems and jewellery sector is one of the largest in the world, contributing around 29% to the global jewellery consumption. The market size is estimated to reach Rs. 6.99 lakh crore (US\$ 100 billion) by 2025. The sector is home to more than 300,000 gems and jewellery players, contributing about seven% to India's Gross Domestic Product (GDP) and employing over 4.64 million employees.

India's gems and jewellery sector contributes around 15% to India's total merchandise export. The overall net export of gems and jewellery stood at US\$ 29.01 billion in FY20, whereas, import was at US\$ 26.05 billion in FY20. The Government of India is aiming at US\$ 80 billion in jewellery export over the next five years from 2019.

India is the world's largest centre for cut and polished diamonds and export 75% of the world's polished diamonds. Today, 14 out of the 15 diamonds sold in the world are either polished or cut in India. India exported cut and polished diamonds worth US\$ 18.66 billion in FY20; this accounted for 52.4% of the total gems and jewellery export. In FY21\*\* India exported cut and polished diamonds worth US\$ 5.50 billion.

India is the largest consumer of gold in the world. Rising middle class population and increasing income levels are key drivers behind the demand of gold and other jewellery in India. India's demand for gold reached 690.4 tonnes in 2019. The Government has permitted 100% Foreign Direct Investment (FDI) in the sector under the automatic route. The Rs. 250,000 crore (US\$ 35.77 billion) household jewellery industry is probably going to get a major lift through the Government's decision for FDI in retail. The Bureau of Indian Standards (BIS) has revised the standard on gold hallmarking in India from January 2018 to include a BIS mark, purity in carat and fitness, as well as the unit's identification and the jeweller's identification mark on gold jewellery. The move is aimed at ensuring stringent quality check on gold jewellery. The Government has made hallmarking mandatory for gold jewellery and artefacts and a period of one year is provided for its implementation (till January 2021).

As per Union Budget 2019–20, the GST rate has been reduced from 18% to 5% (\*5% without Input Tax Credit (ITC)) for services by way of job work in relation to gems and jewellery, leather goods, textiles etc.

The cumulative FDI inflow in diamond and gold ornaments for the period April 2000–March 2020 stood at US\$ 1.17 billion according to Department for Promotion of Industry and Internal Trade (DPIIT).

\*Includes export of CPD (Bonded Warehouse) also  
 (Source: <https://www.ibef.org/industry/gems-and-jewellery-presentation>)

## Trade Statistics

### Export Product Division:

Trade statistics of gem and jewellery products for the year 2018-19 and 2019-20:

Values in USD \$ Million				
Sr. No.	Panel	2018-2019	2019-2020	% Growth
1	Cut and Polished Diamonds	23772.72	18609.73	-22.72
2	Gold Jewellery	12043.42	12086.95	0.36
3	Gold Medallions and Coins	1161.95	1283.33	10.45
4	Coloured Gemstones	520.09	402.03	-22.70
5	Silver Jewellery	866.75	1626.76	87.69
6	Pearls	2.36	1.6	-32.20
7	Synthetic Stones	278.89	477.42	71.19
8	Rough Diamonds	1364.44	1175.74	-13.83
9	Others	63.41	98.52	55.37
<b>Grand Total</b>		<b>40074.03</b>	<b>35762.08</b>	<b>-10.76</b>

(Source: <https://commerce.gov.in/about-us/divisions/export-products-division/gems-and-jewellery/>)

### Impact of Corona virus on Gem and Jewellery Exports

Gem and Jewellery exports have been recording declining trends since the beginning of the financial year 2019-2020 majorly attributed to various domestic as well as global challenges including rise in import duty on precious stones viz. polished diamonds and coloured gem stones, tightening of lending terms by banks, stringent customs inspection procedures, sluggish import demand and withdrawal of GSP benefit by USA among others. This all has resulted G&J exports to decline by 5.53% during April-November 2019.

Challenges for the sector have gravely after the outbreak of Covid -19 in China which has taken a shape of pandemic and caused stalled manufacturing and trading activities, cancellation of business events, deferment of committed order positions, reduced demand, elongation of receivables etc. in the sector.

The sector is highly export oriented therefore, the impact of global health emergence can be estimated through its continuous decline of exports which have recorded a steep decline of (-) 19.37% in Feb 2020 against a decelerating rate of (-)9.17% in Jan 2020 and (-)1.89% in Dec 2019.

### Impact of Covid-19 on G&J exports is assessed as mentioned below:

1. Declining rate of gem and jewellery exports doubled to (-)11.32% during Dec-February 2020 as compared to (-)5.53% registered during April-Nov 2019.
2. Gem & Jewellery exports recorded the highest fall of (-) 19.37% in Feb 2020
3. Cut and Polished Diamonds, Coloured Gemstone and Imitation Jewellery are severely hit key export commodities.
4. Going forward, all other gem and jewellery commodities would have challenging time until the business sentiments and consumer confidence are gained back.

5. Exports to key export destinations especially to Hong Kong have witnessed a steep decline.

**Gem and Jewellery exports recorded the highest fall of (-) 19.37% in Feb 2020:**

In the month of Feb 2020, exports of G&J recorded the highest fall of (-)19.37% in the present fiscal year to US\$2.97 billion as compared to US\$3.69 billion in the same period last FY2019 reflecting the impact of corona virus (Figure-1).

Overall, in value terms exports fell by US\$2.56 billion to US\$33.63 billion during April-Feb 2020 as compared to US\$36.19 billion in the same period last FY 2018-2019.

**Figure- 1 Month –wise Gem and Jewellery Exports Trades (in %)**



**Key Export commodities which are severely impacted:**

**Cut and Polished Diamonds, Coloured Gem Stones and Imitation Jewellery are severely hit key export commodities:**

Cut and Polished Diamonds, Coloured Gem Stones and Imitation Jewellery have recorded a significant fall of (-) 40.92%, (-) 64.58% and (-) 39.78% in the month of February, 2020 and therefore the Council is seeking for fixing the Policy/ regulatory and other issues of the respective industry segment to provide impetus/strength to face the global emergence situation and recover their businesses during the post Covid-19 period (Table- 2)

This is to take a note that going forward, all other gem and jewellery commodities are going to have a severe decline as all customs and other operations are shut due to complete lock down in the country.

**Table -2**  
**Key Commodities Exports (US\$ million)**

FY2020	Cut & Polished Diamonds		Coloured Gemstone		Imitation Jewellery	
	Amount	% Growth (y-o-y)	Amount	% Growth (y-o-y)	Amount	% Growth (y-o-y)
April-Nov 2019	13412.45	-18.95	228.80	-11.07	42.04	-7.24
Dec-19	1253.98	-4.54	18.66	0.97	5.29	4.96
Jan-20	1649.19	-5.67	42.44	-7.46	5.32	-5.51
<b>Feb-20</b>	<b>1383.72</b>	<b>-40.92</b>	<b>17.34</b>	<b>-64.58</b>	<b>3.27</b>	<b>-39.78</b>
April-Feb 2020	17699.34	-19.38	307.24	-17.09	55.92	-8.95

**Exports to key export destinations have witnessed a steep decline:**

Exports of gem and jewellery commodities to Hong Kong, Turkey, Singapore, United Kingdom have impacted the most as exports to these countries have recorded a severe decline of (-) 64.1%, (-) 94.57%, (-) 34.79% and (-) 57.18% in the month of February, 2020. (Table -3)

While, exports to these countries before the outbreak of COVID-19 in the month of December, 2019 were registering either growth or relatively less declining growth.

**Table-3**  
**Exports to key export destinations witnessed a decline (US\$million)**

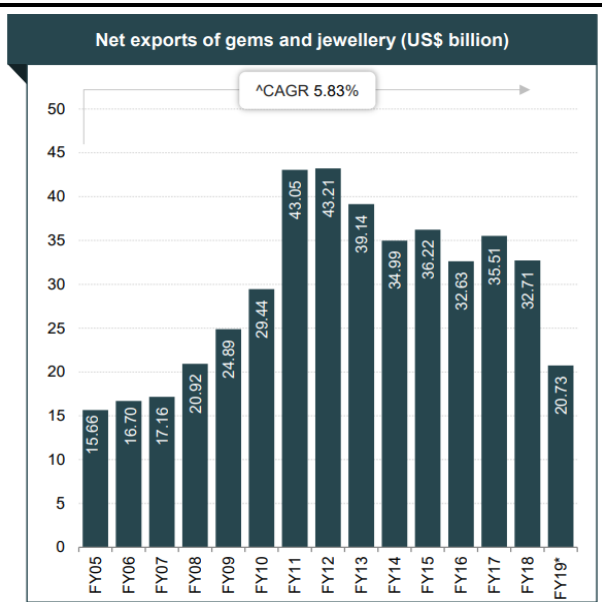
Countries	Apr-Nov 2018	Apr-Nov 2019	%Growth (y-o-y)	Feb-19	Feb-20	% Growth (y-o-y)
UAE	7,068.91	6,863.09	-2.91	806.03	1013.01	25.68%
Hongkong	7,446.57	6,747.66	-9.39	1466.66	526.59	-64.10%
USA	7,348.61	6,411.16	-12.76	716.47	761.93	6.35%
Belgium	1,273.00	1,289.47	1.29	138.65	171.39	23.61%
Israel	708.72	604.92	-14.65	69.36	123.25	77.69%
Turkey	38.27	500.91	1,208.94	74.29	4.03	-94.57%
Singapore	389.07	441.61	13.51	62.42	40.71	-34.79%
Thailand	393.35	429.99	9.31	56.58	64.84	14.59%
United Kingdom	455.37	325.00	-28.63	82.62	35.38	-57.18%
Japan	278.74	269.88	-3.18	31	36.59	18.02%
Others	1,417.85	1,366.15	-3.65	185.15	196.84	6.32%
<b>Total</b>	<b>26,818.48</b>	<b>25,249.83</b>	<b>-5.85</b>	<b>3689.23</b>	<b>2974.55</b>	<b>-19.37</b>

(Source: <https://giepc.org/pdf/Impact-of-COVID-19-on-GJ-20Sector2020.pdf>)

## REPORT:

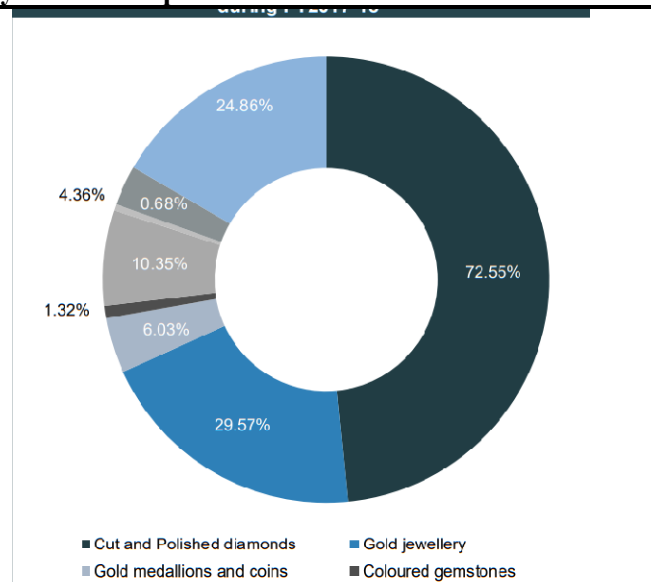
### Market Overview and Trends:

- Gems and jewellery industry plays a vital role as it is one of the largest exporters and contributes a major chunk to the total foreign reserves of the country. The net exports rose from US\$ 15.66 billion in FY2004-05 to US\$ 32.71 billion in FY 2017-18, at a CAGR of 5.83 % over FY05-18.
- In FY18, Hong Kong, UAE and US accounted for 33 per cent, 25 % and 23 % respectively, accounted as major export destinations of gems and jewellery.
- The net exports of gems and jewellery stood at US\$ 20.73 billion between Apr-Nov 2018\*. It is forecasted to grow at 5 % in FY19.
- Exports of gold coins and medallions stood at US\$ 258.35 million and silver jewellery exports stood at US\$ 503.17 million between Apr-Nov 2018\*.
- Deals worth Rs 8,000 crores were made at the Indian International Jewellery Show held in August 2018.



### Share of various Segments of Gems and Jewellery in Total Exports

- India exports of gems and jewellery are composed of a variety of items like cut and polished diamonds, gold and silver jewellery, gold medallions and coins, coloured gemstones, pearls & synthetic stones, rough diamonds etc.
- Cut and polished diamonds account for the highest share of 72.55 % in total gems and jewellery exports as India exports 75 % of the world's polished diamonds. ♣ Gold jewellery accounts for the second highest share of 29.57 per cent followed by others with a share of 24.86 % and silver jewellery with a share of 10.35 %.
- Rough diamonds account for 4.36 % of the total gems and jewellery exports.



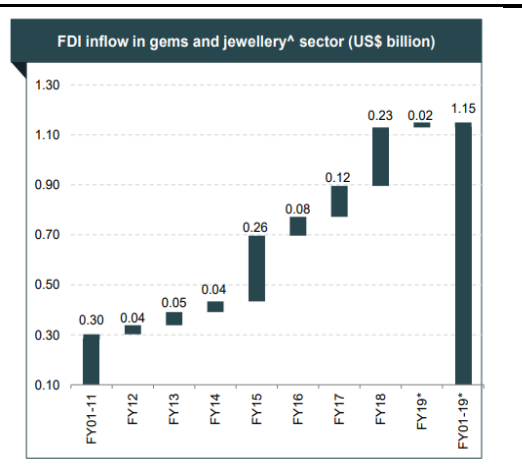
## Government Initiative and Regulatory Framework:

The Goods and Services Tax (GST)	<ul style="list-style-type: none"> <li>• The Goods and Services Tax (GST) which was rolled out in July 2017 was in favour of the gems and jewellery sector.</li> <li>• The Government of India has levied 3 per cent Goods and Services Tax (GST) on gold, gold jewellery, silver jewellery and processed diamonds and 0.25 per cent on rough diamonds.</li> </ul>
Union Budget 2018-19	<ul style="list-style-type: none"> <li>• Launch of the UMPP scheme through tariff-based competitive bidding.</li> <li>• Ease of land possession, provision of fuel, water and necessary clearances for enhancing investor confidence.</li> </ul>
Corporate Tax Rate	<ul style="list-style-type: none"> <li>• The Government of India's proposal to cut corporate tax rates to 25 per cent for micro, small and medium enterprises (MSMEs) having annual turnover up to Rs 50 crore (US\$ 7.5 million) will benefit a large number of gems and jewellery exporters from MSME category.</li> </ul>
FDI Policy	<ul style="list-style-type: none"> <li>• The Government of India has permitted 100 per cent Foreign Direct Investment (FDI) in the sector under the automatic route.</li> </ul>
Demonetisation	<ul style="list-style-type: none"> <li>• The demonetisation move is encouraging people to use plastic money, debit/ credit cards for buying jewellery. This is good for the industry in the long run and will create more transparency.</li> <li>• The government would notify a new limit for reporting about transactions in gold and other precious metals and stones to authorities, to avoid the parking of black money in bullion.</li> </ul>
Gold spot exchange	<ul style="list-style-type: none"> <li>• Government of India's announcement on establishing gold spot exchange could help in India's participation in determining gold price in the international markets.</li> </ul>
BIS Hallmarking Scheme	<ul style="list-style-type: none"> <li>• The Bureau of Indian Standards (BIS) has revised the standard on gold hallmarking in India from January 2018. The gold jewellery hallmark will now carry a BIS mark, purity in carat and fitness as well as the unit's identification and the jeweller's identification mark. The move is aimed at ensuring a quality check on gold jewellery.</li> <li>• GOI is considering to make hallmarking of gold jewellery sold mandatory</li> </ul>
Gold Monetisation Scheme	<ul style="list-style-type: none"> <li>• Mr. ArunJaitley, Minister of Finance, GOI, launched the Gold Monetisation Scheme in November 2015. This scheme enables individuals, trusts and mutual funds to deposit gold with banks and earn interest on the same in return.</li> <li>• The designated banks accept gold deposits under the Short Term (1-3 Years) Bank Deposit as well as Medium (5-7 years) and long (12-15 years) Term Government Deposit Schemes</li> </ul>
Sovereign Gold Bond Scheme	<ul style="list-style-type: none"> <li>• The Government of India launched the Sovereign Gold Bond Scheme. This scheme enables the Reserve Bank of India (RBI) to issue gold bonds denominated in grams of gold individuals in consultation with Ministry of Finance. ♣ This scheme provides an alternative to owning physical gold. It is aimed at keeping a check on imports of gold.</li> </ul>
Jewellery Park	<ul style="list-style-type: none"> <li>• A jewellery park worth Rs 50 crore (US\$ 7.8 million) is to be set up in Mumbai by the Government of India where local handmade workers and factories will be relocated to develop their trade, improve their work environment and standard of living.</li> <li>• The Gems and Jewellery Export Promotion Council (GJEPC) signed a Memorandum of Understanding (MoU) with Maharashtra Industrial Development Corporation (MIDC) to build India's largest jewellery park in at Ghansoli in Navi-Mumbai on a 25 acres land with about more than 5000 jewellery units of various sizes ranging</li> </ul>

	from 500-10,000 square feet. The overall investment of Rs 13,500 crore (US\$ 2.09 billion).
Common Facility Centres (CFCs)	<ul style="list-style-type: none"> <li>The Government of India has inaugurated two Common Facility centres , one at Visnagar and second one at Palanpur. Gem Jewellery Export Promotion Council (GJEPC) has plans to open two more CFCs at Amreli and Ahmedabad. GJEPC also plans to set up a CFC at Thrissur, Kerala. Thrissur being a major jewellery cluster it would be suitable to set up a CFC to encourage in production and quality of manufacturing jewellery by creating awareness to modern machines to small units in and around Thrissur.</li> <li>A total of 200 small and medium manufacturers will receive access to the CFCs</li> </ul>

### Increasing FDI Inflows into the Sector

- Cumulative Foreign Direct Investment (FDI) in diamond and gold ornaments in India between April 2000- June 2018 stood at US\$ 1.15 billion.
- The Government of India permitted 100 per cent FDI in the sector through the automatic route.



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



## BUSINESS OVERVIEW

*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Prospectus, including the information contained in the section titled “Risk Factors” on page 17 of this Draft Prospectus.*

*This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section title “Risk Factors” and the chapters titled “Restated Financial Statement” and “Management Discussion and Analysis of Financial Conditions and Results of Operations” beginning on page no 17, 124 and 148 of this Draft Prospectus.*

*In this chapter, unless the context requires otherwise, any reference to the terms “We”, “Us” and “Our” are to M/s. Ashapuri Gold Ornament Limited. Unless stated otherwise, the financial data in this section is as per our Restated financial statements prepared in accordance with Indian Accounting Policies set forth in the Draft Prospectus.*

### OVERVIEW

#### Company Background

Our Company was originally incorporated as “Ashapuri Gold Ornament Private Limited” as a private limited company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated June 17, 2008 bearing Corporate Identification Number U36910GJ2008PTC054222 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Havelli. Subsequently, our Company was converted in to a public limited Company pursuant to a special resolution passed by our shareholders at the EGM held on January 09, 2019 and consequently the name of our Company was changed to “Ashapuri Gold Ornament Limited” and a fresh certificate of incorporation was issued by the Registrar of Companies, Ahmedabad dated January 23, 2019. Further, shares of our company got listed and traded pursuant to Initial Public Offering on SME Platform of BSE Limited with effect from March 27, 2019. The CIN of the Company is L36910GJ2008PLC054222.

Mr. Dinesh Soni and Mr. Jitendra Soni were the subscribers to the MOA. Subsequently, Mr. Saremal Soni joined the Company as the Director at the end of the year in 2008. The Company had started its operation from Manekchowk, Ahmedabad, a market known for Bullion and Jewellery trading. Later on, various jewelers have started their operations from C.G Road, Ahmedabad. In order to remain in line with other Jewelers, our Company has shifted the operations in the year 2011 from Manekchowk, Ahmedabad to 109 to 112A, 1st Floor Supermall, Nr. Lal Bunglow, C.G. Road, Ahmedabad – 380009 in large space having 2945 Sq. Feet area.

Our Company is engaged in the business of wholesale trading of Jewellery till March 2019. The Jewelleries were manufactured on Job-work basis at Ahmedabad and Rajkot. We are well known and trusted wholesaler of gold jewellery supplier, having showroom of 2945 sq. feet on prime location of C.G. Road, Ahmedabad, the newly developed main market for buying Gold and Diamond Jewellery. The design of our products is done either in house or by third parties on our behalf and get the Jewelleries manufactured on job work basis. We believe that our track record of almost two-decade attracts and signifies customers trust in the quality and purity of our products. We deal in antique Jewellery too. In addition to the above, we are also in the Trading of Gold Jewellery.

The Company has purchased premises at 501 and 502, Golden Signature, B/h Ratnam Building, Off C.G Road, Navrangpura, Ahmedabad – 380009 admeasuring 2194.02 sq. ft for starting manufacturing unit in

the month of March 2019. The Company has started manufacturing Jewellery in house and reduce the dependence of getting jewelry manufactured on job work basis. The in-house designing of the jewellery and in house manufacturing helps the company to have better management and coordination of man and material, better utilization of labour force, better inventory management and quality control on the final products. On account of Own manufacturing unit, The Company has complied the stringent requirement norms of the known retail brand Jewellery show room. The Client list of the Company includes leading reputed jewellery retailer which are multinational well reputed and having very good network.

We design, manufacture and sell a wide range of gold, studded jewellery and other jewellery products across various price points. Our product portfolio includes Wedding Jewellery, Festive Jewellery, Rings, Chain, Earrings, Ear Chain, Nose-rings/Nose pins, Waist belts, Mangalsutra, Anklet, Zuda, Toe Ring, Pendant Set/ Pendant, Bracelet and Bangles. To keep pace with the latest trends in the market as well as to satisfy our consumer requirements, we continuously strive to develop new jewellery designs and themes.

We have appointed sales team for different region/city like Delhi, Rajasthan, Punjab, Uttar Pradesh, Kolkata, Chennai, Bangalore, etc for further expansion of business.

During the year 2018-19, our company had entered in to partnership with Mrs. Kiran Soni and Mrs. Alka Soni, partner of M/s. Blue - Onxy Lifestyle, carrying on business of Branded Readymade Garments having exclusive showrooms at Ahmedabad, Surendranagar, Mehsana and Godhra. Our company is a major partner in this venture. Our promoters have a plan to open multiple chains of showrooms of Branded Readymade Garments over a period of time. However the Initial loss in the readymade garments business due to lack of experience of the promoter in the garment business, so the Board of Directors has decided to invest their fund in income generating business rather than unproductive business. The company proposes to recall the fund deployed in “Blue Onyx Lifestyle” and infuse the same into “working capital requirements” of the company. The Company is entitled to share profit only of the firm and not the loss of the partnership firm. All the showrooms except at Ahmedabad were closed by the partnership firm due to loss in the business.

As on November 30, 2020, our Company has employed 108 employees (including skilled, semi-skilled and unskilled employees). We strive to impart continuous training to our employees, which helps the organization stay abreast of the rapidly changing market trend and fashion.

The financial performance of the Company in last three years is as follows:

Particulars	Amount (Rs in Lakhs)		
	Upto September 30,2020	2019-20	2018-19
Sales	2229.99	12058.22	8819.76
Total Income	2231.16	12065.90	8820.22
EBDIT	360.00	104.54	63.10
Profit Before Tax	326.36	63.82	51.78
Profit After Tax	244.22	47.36	38.16

### Impact of COVID-19

*March 2020 to May 2020*

An outbreak of COVID-19 was recognised as a pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India, have taken preventive or protective actions such as imposing Nation-wide lockdowns, as well as restrictions on travel and business

operations. Since May 2020 many of these measures has been lifted. Our products are in luxury segment, due to a government mandated lockdown in India, we had to temporarily close our operations. The turnover of the Company for the six months ended on September 30, 2020 had been reduced substantially. However on account of upward gold prices the company had earned good profit though the turnover is reduced substantially. Post September 2020, on account of normalcy in the economy, festive season and wedding season the turnover of the Company has picked up.

The Company has identified the building of 152.6 sq. mts and is in the process of buying the same for starting the another manufacturing unit in Ahmedabad to accommodate more workers and cater the demand of customers

### **Our Competitive Strength**

#### **Vast experience of over Two decades with sound market knowledge**

Our promoters Mr. Saremal Soni, Mr. Dinesh Soni and Mr. Jitendra Soni have been involved in Jewellery business for more than two decades. The Promoters of our Company have a background of jewellery business and are actively involved in the operations of the Company. The top management team is with the company since last 10 years. We get the benefit of experience from our Promoters and the core management team.

#### **Prime Location of our Showroom**

Most of the show rooms of Gold jewellery are located on C.G. Road and its vicinity. Our Showroom of 2945 sq ft is situated at 109 to 112A, 1st Floor Supermall, Nr. Lal Bunglow, C.G. Road, Ahmedabad – 380009. Most of the branded Jewellery show rooms viz. Tanishq, Joyalukkas, Malabar Gold, etc. are located in C.G. Road.

#### **Design, Innovation and Product range**

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

#### **Long term relations with clients:**

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

#### **Quality of our products**

The in-house designing of the jewellery and in house manufacturing helps the company to have better management and coordination of man and material, better utilization of labour force, better inventory management and quality control on the final products. On account of Own manufacturing unit, The Company has complied the stringent requirement norms of the known retail brand Jewellery show room. We guarantee our esteemed customers for the time bound delivery of the products.

#### **Strong in-house designing capabilities**

Our in house designers who have been using both conventional and modern jewellery designing methods and continuously focuses on creating newer and newer designs. Our designing team concentrates on creating a wide variety of designs in Indo-western, & modern jewelleryes.

### Supplier to Reputed Retail Show Rooms (Companies):


On account of Own manufacturing unit, The Company has complied the stringent requirement norms of the known retail brand Jewellery show room. The Client list of the Company includes leading reputed jewellery retailer which are multinational well reputed and having very good network.

### SWOT ANALYSIS

<p><b>Strength</b></p> <ul style="list-style-type: none"> <li>✓ The Promoters have been involved in the Jewellery business since last two decades.</li> <li>✓ Very good reputation and trust in the market</li> <li>✓ Most of our designs are very antique and unique</li> <li>✓ Showroom is located at a prime location i.e. C.G Road, Ahmedabad</li> <li>✓ Understanding of Customer Preferences</li> <li>✓ Supplier to Reputed Retail Show Rooms (Companies)</li> </ul>	<p><b>Weakness</b></p> <ul style="list-style-type: none"> <li>✓ Limited geographical area of Operations.</li> <li>✓ Family owned unit resulting in Lack of Professionalism.</li> <li>✓ Uncertainty in market fluctuations.</li> </ul>
<p><b>Opportunity</b></p> <ul style="list-style-type: none"> <li>✓ Started in house manufacturing unit</li> <li>✓ To tie-up with large chain jewellery retail stores for supply of jewellery</li> <li>✓ Recruited sales team to cover the wide region.</li> </ul>	<p><b>Threat</b></p> <ul style="list-style-type: none"> <li>✓ We may face competition from organized and unorganized sector.</li> <li>✓ Dealing in lifestyle products, economic slowdown will reduce the demand and hamper the growth of the Company.</li> <li>✓ Fluctuation in raw material, since the prices are going up and there's volatility in prices of gold.</li> </ul>


### OUR PRODUCTS

Product range along with their uses:

Sr.	Product	Specification		Description
1		Necklace with Earrings		Ignite the flame of passion with this Jadau set in fiery red rubies. And for the rest, let the stone do the talking, This set charm of bridal collection
		Type:	Choker Set	
		Purity:	916 Hallmark	
		Variety	Antique Jadtar	

2		<b>Necklace with Earrings</b>		Beautiful & ethnic, adorn this exquisite Jadau necklace with its sparkling pearls and delicate stones for an elegant Look
		<b>Type:</b>	<b>Choker Set</b>	
		<b>Purity:</b>	<b>916 Hallmark</b>	
		<b>Variety</b>	<b>Antique Jadtar</b>	
3		<b>Necklace with Earrings</b>		Experience Royalty with this magnificent choker studded with rubies and pearls, that will make you dazzle in your special day.
		<b>Type:</b>	<b>Choker Set</b>	
		<b>Purity:</b>	<b>916 Hallmark</b>	
		<b>Variety</b>	<b>Antique Jadtar</b>	
4		<b>Necklace with Earrings</b>		Ignite the flame of passion with this Jadau set in fiery red rubies. And for the rest, let the stone do the talking, This set charm of bridal collection
		<b>Type:</b>	<b>Choker Set</b>	
		<b>Purity:</b>	<b>916 Hallmark</b>	
		<b>Variety</b>	<b>Antique Jadtar</b>	
5		<b>Necklace with Earrings</b>		Be a vision in gold with these Jadau-inspired earrings. The intricate design is beautifully complemented with the contemporary placement of pearls & rubies. This type of jewellery also use in daily wear.
		<b>Type:</b>	<b>Pendant Set</b>	
		<b>Purity:</b>	<b>916 Hallmark</b>	
		<b>Variety</b>	<b>Antique Jadtar</b>	
6		<b>Necklace with Earrings</b>		Beautiful & ethnic, adorn this exquisite Jadau necklace with its sparkling pearls and delicate stones for an elegant Look.
		<b>Type:</b>	<b>Mina Half Set</b>	
		<b>Purity:</b>	<b>916 Hallmark</b>	
		<b>Variety</b>	<b>Antique Jadtar</b>	

7		<b>Necklace with Earrings</b>		Enjoy unique hues of gold, lined with dazzling gold boals with this Jadau Set. It is sure to take your charm to another level.
		<b>Type:</b>	<b>Long Set</b>	
		<b>Purity:</b>	<b>916 Hallmark</b>	
		<b>Variety</b>	<b>Antique Jadtar</b>	
8		<b>Necklace with Earrings</b>		Jewellery with the motifs of God makes one feel closer to God that transcends norms of beauty in this necklace. This type of jewellery's huge demand from South India.
		<b>Type:</b>	<b>Temple Set</b>	
		<b>Purity:</b>	<b>916 Hallmark</b>	
		<b>Variety</b>	<b>Antique Jadtar</b>	
9		<b>Necklace with Earrings</b>		This exquisite necklace with studded rubies and gold inspired by nature and intricately crafted will divinely embellish your bridal trousseau. This type of jewellery trending many years ago there is never being old.
		<b>Type:</b>	<b>Choker Set</b>	
		<b>Purity:</b>	<b>916 Hallmark</b>	
		<b>Variety</b>	<b>Antique Jadtar</b>	
10		<b>Necklace with Earrings</b>		Enjoy unique hues of gold, lined with dazzling gold boals with this Jadau Set. It is sure to take your charm to another level.
		<b>Type:</b>	<b>Long Set</b>	
		<b>Purity:</b>	<b>916 Hallmark</b>	
		<b>Variety</b>	<b>Antique Jadtar</b>	
11		<b>Bangles</b>		Add an ethnic touch of exuberance to your look with these gold Jadau bangles.
		<b>Type:</b>	<b>Pota Collection</b>	
		<b>Purity:</b>	<b>916 Hallmark</b>	
		<b>Variety</b>	<b>Pota Studded</b>	

12		<b>Bangles</b>		Your elegance shine effortlessly, yet simply with this floral arrangement of sparkles. Set in Gold, these Pota Bangles are sure to become your favorite accessory.
		<b>Type:</b>	<b>Temple Pota Bangle</b>	
		<b>Purity:</b>	<b>916 Hallmark</b>	
		<b>Variety</b>	<b>Pota Studded</b>	

## OUR BUSINESS STRATEGY:

### Long Term Supply agreement with the Branded Company

At present we are wholesale Jewellery supplier in and around Ahmedabad, Delhi, Rajasthan, Punjab, Uttar Pradesh, Kolkata, Chennai, Bangalore. Our company is in the process of entering in to long term agreement for supply of gold ornament with reputed jewellery retailers which are multinational well reputed and having very good network as well as turnover.

### Marketing

We have recruited the sales person in various cities like Gujarat, Delhi, Punjab, Mumbai, Bangalore, etc. to cover the wide region and marketing of our business.

### Innovation in designing

We will continue to add new design to our existing product portfolio to cater to various customer and price segments in the jewellery markets. The company intends to strengthen its product development effort by leveraging skills of its employees and focusing on changing trends in the designs of jewellery and customers demand which will help to increase the sales of the Company and retain customers.

### Location

#### Registered Office and showroom:

109 to 112A, 1st Floor Supermall, Nr. Lal Bunglow, C.G.Road, Ahmedabad-380009.

#### Administrative Office:

1. 108, 1st Floor, Supermall, Nr. Lal Bunglow, C.G Road, Ahmedabad - 380009
2. 113-114, 1st Floor Supermall, Nr. Lal Bunglow, C.G.Road, Ahmedabad-380009.
3. 1170, Bandhara No Khancho, M.G. Haveli Road, ManekChowk, Ahmedabad -380001

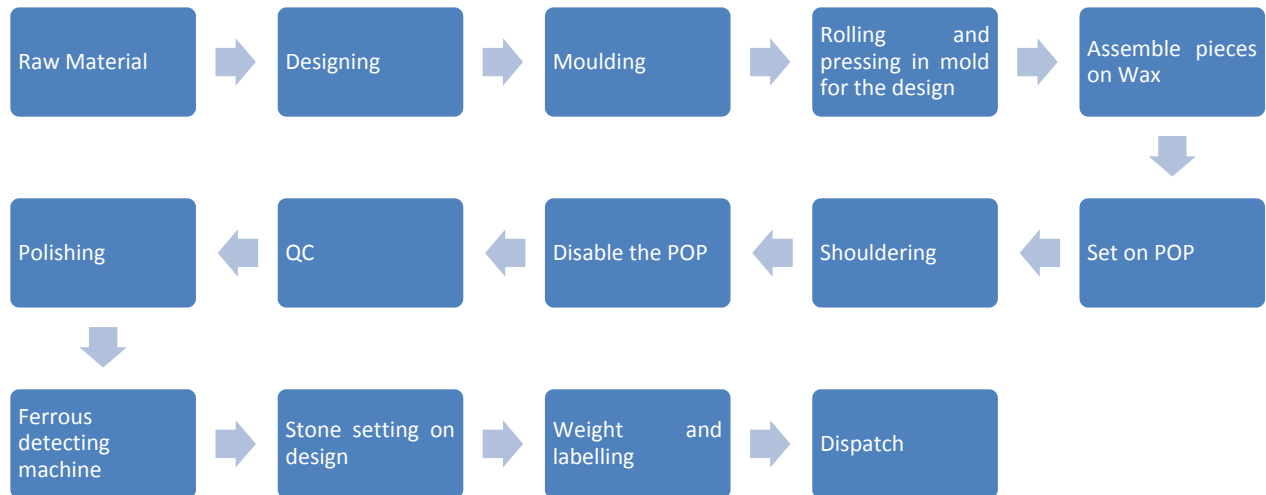
#### Manufacturing Unit:

1. Unit No. 501, Golden Signature, B/h Ratnam Building, Off C.G Road, Navrangpura, Ahmedabad - 380009
2. Unit No. 502, Golden Signature, B/h Ratnam Building, Off C.G Road, Navrangpura, Ahmedabad - 380009

### Plant, Machinery, Technology, process Etc.

The jewellery manufacturing is mostly carried out by skilled workers manually. The plant and machinery in the Company are basis machines included dies and moulds, wire and sheet rolling press machines and ferrous detecting machine.

## Manufacturing Process:



1. Raw materials, which we use for our manufacturing purposes, include gold and precious stones like rubies, emeralds and sapphires. Gold forms more than 90% of our raw material cost. We procure raw materials predominantly from the local markets.
2. Our engaged artisan will draw the Jeweler based on the trend and forecast and market research. The order for the jeweler is been placed while selecting the design in the catalogue which is prepared in-house.
3. Pursuant to the receipt of manufacturing order from the customers, we assess the quantum of gold and other precious stones that should be procured for meeting the requirements of the particular order.
4. 24 carat bullion along with Jeweler Designs is been send to the production manager and he will assign the work along with the gram of gold for which the jewellery is to be made to an individual worker which prepare the raw gold requirement to the final finished jewelry product.
5. The Gold is first heated until the metal piece, which looks like a block is slowly mouldable and can be transformed.
6. The metal block is rolled under heavy wheels to make plates or wires that make the various forms needed to make an entire jewellery piece.
7. Once the correct thickness has been obtained, it is moved to the press machine, the workers with the help of mold cut the sheet or wires in the small designed pieces as per the requirement of the workers
8. All the different pieces of design are set on moulding wax as per design.
9. From the moulding wax, the components are transferred on plaster of paris and allowed to harden.
10. The different components now set in plaster of paris cast are shouldered and joined on the reverse with gold wires.
11. After solidify, the POP dis-assemble and brush the ornaments to remove the dirt and POP from the Jewellery.
12. Quality check is done by the quality control team alongwith designers to check for accuracy of design and manufacturing.
13. Then it moves to the Polishing department for getting the piece of Jeweler polished with the acid washing and if it is for dull finishing the product is send to dull machine
14. The pieces are weighed by the production manager to ascertain polishing & manufacturing loss.
15. Quality check is done for design, finish, polishing and purity and setting a stone on the jeweler.



16. Finally, the pieces are checked through ferrous detecting scan machine, to find other metals in the products and removed it.
17. After the pieces get check from the scanning machine it will weight and label the pieces.
18. Dispatch the product to the Dealer.

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

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

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

**RAW MATERIAL:**

The raw material is Gold and Precious stones. We source our raw materials from bullion market & local markets in Ahmedabad. The major purchase is of Gold and its price fluctuates on daily basis. The rates quoted by various agencies are considered and purchases are affected through Banking Channel on the lowest available prices. At the end of each day, we endeavour to purchase the same amount of gold in Rupee terms that was sold in our showroom that day. Therefore, if the price of gold increases, we purchase less volume of gold compared with the volume of gold sold and vice versa. This practice helps to mitigate the risk of changes in gold prices. It is our belief that the profits generated by the company should be primarily derived from the value-addition the company creates and not from changes in the price of gold.

**WATER:**

In jewellery manufacturing the water requirement is very nominal. The same can be met from the water supplied by the Municipality.

**POWER AND FUEL:**

Our power requirement is minimum and is met through Electricity Company PNG is used in the manufacturing activity for shouldering the gold pieces and the same is obtained from Indian Oil Corporation.

**QUALITY MEASURES:**

We have stringent quality control process for procuring the raw material as well as manufacturing of products.

**HUMAN RESOURCES:**

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

As on November 30, 2020, we have the total strength of permanent employees (including workmen) in various departments. The details of which is given below:

Sr. No.	Particulars	Employees
1)	Management	3
2)	Administrative and Sales Department	9

3)	Factory Managers	12
4)	Workers (karigars)	84
	<b>Total</b>	<b>108</b>

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

#### **MARKETING AND DISTRIBUTION ARRANGEMENT:**

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

#### **Active and regular participation in Exhibitions:**

One of our business and marketing strategy includes participation in domestic trade fairs and jewellery exhibitions throughout India such as GGJS (Gujarat Gold Jewellery Show), and internationally focused IJS (India International Jewellery Show) Signature show and also planning to participate in GJIF(Gems and Jewellery India International Fair), Chennai Exhibition.

#### **CAPACITY AND CAPACITY UTILISATION:**

Installed Capacity and Capacity Utilisation (in kilograms)

Name of the Product	Installed Capacity(P.A) In Kgs.**	CAPACITY UTILIZATION			
		1.4.2020 to 30.09.2020		2019-20	
		Ornaments in Kg	(In %)	Ornaments in Kg	(In %)
Gold Ornaments	320	25.32	15.83*	288.22	90.07

\*\*Note: 300 days working in a year for the purpose of calculation of installed capacity. The installed capacity is as per the certificate of the management.

\*The capacity utilization for the period ended on September 30, 2020 is considering the installed capacity of 160 kg for six months. Due to Government mandated lockdown in India, we had to temporarily close our operations. The production of the Company for the six months ended on September 30, 2020 had been reduced substantially on account of pandemic situation prevailing in India.

#### **INTELLECTUAL PROPERTY RIGHTS:**

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

Sr. No.	Authority Granting Approval	Application No.	Applicable Laws	Validity /Renewal	Registration Status
1.	Trademark Registry	Application No.: 3348531, under class no. 14 Gold Jewellery And Bullion, Precious Stones, precious Metals and their Alloys and goods in precious metals or coted therewith included in class 14	Trademark Act, 1999	August 30, 2026	Registered



**Indebtedness:**

Our Company is availing following facilities from the following bank, details of which are as under:

<b>Name of the Lender</b>	Kotak Mahindra Prime Ltd *
<b>Sanction Amount</b>	INR. 50.00 Lakh
<b>Purpose</b>	To purchase the Car
<b>Amount o/s as on September 30, 2020</b>	9.09 Lakh
<b>Equated Monthly Installment</b>	Rs. 1,00,785/-
<b>Repayment Schedule</b>	60 Monthly installment
<b>Security (Combine Security)</b>	Mercedes Car

\*The loan is sanctioned in the name of one of Promoter Director of the Company.

**Details of Immovable Property:**

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

**Owned Property:**

Particulars	Details
Name of the Parties (Owner)	Ashapuri Gold Ornament Ltd
Name of Seller(s)	Kalpeshkumar Babulal Soni and Bharatkumar Vitthalbhai Patel
Description of Property	Unit No. 501, Golden Signature, B/h Ratnam Building, Off C.G Road, Navrangpura, Ahmedabad – 380009
Date of agreement	March 29, 2019
Consideration Paid (including Stamp duty and Registration fees)	₹ 54,51,100/-
Usage	Factory
Area (Approx)	681-76 sq.fts

Particulars	Details
Name of the Parties (Owner)	Ashapuri Gold Ornament Ltd
Name of Seller(s)	Kalpeshkumar Babulal Soni and Bharatkumar Vitthalbhai Patel
Description of Property	Unit No. 502, Golden Signature, B/h Ratnam Building, Off C.G Road, Navrangpura, Ahmedabad – 380009
Date of agreement	March 29, 2019
Consideration Paid (including Stamp duty and Registration fees)	₹ .1,19,11,000/-
Usage	Factory
Area (Approx)	1512-26 sq.fts

**Leasehold Land:**

Particulars	Details
Name of Lessor	Ms. Narmada Soni
Name of Lessee	M/s. Ashapuri Gold Ornament Private Limited
Description of Property	1170, Bandhara no Khancho, M.G. Haveli Road, Manekchowk, Ahmedabad - 380001
Date of agreement	Original Agreement on July 8, 2014, Supplement deed dated June 02, 2015, Supplement deed dated May 02, 2019 and December 18, 2020
Lease Rent	₹ 62,000/- per month
Usage	Administrative Office
Area (Approx)	531 Sq. ft
Period	Till either of the party give a notice of termination before at least 90 days.

Particulars	Details
Name of Lessor	Ms. Alka Soni and Ms. Kiran Soni
Name of Lessee	M/s. Ashapuri Gold Ornament Private Limited
Description of Property	109, 1st Floor, Super Mal, Nr. Lal Bunglow, C.G Road, Ahmedabad - 380009
Date of agreement	Original lease deed on September 15, 2011, Supplement deed dated July 8, 2014, Supplement deed dated June 02, 2015, Supplement deed dated May 02, 2019 and Supplement deed dated December 18, 2020
Lease Rent	₹ 69,450/- per month
Usage	Business Activity
Area (Approx)	418 Sq. ft
Period	Till either of the party give a notice of termination before at least 90 days.

Particulars	Details
Name of Lessor	Mr. Saremal Soni and Ms. Narmada Soni
Name of Lessee	M/s. Ashapuri Gold Ornament Private Limited
Description of Property	110 to 112A, 1st Floor, Super Mal, Nr. Lal Bunglows, C.G Road, Ahmedabad - 380009
Date of agreement	Original lease deed on September 15, 2011, Supplement deed dated July 8, 2014, supplement deed dated June 2, 2015, Supplement deed dated May 02, 2019 and Supplement deed dated December 18, 2020
Lease Rent	₹ 1,38,900 /- per month
Usage	Business Activity
Area (Approx)	1389.00 Sq ft
Period	Till either of the party give a notice of termination before at least 90 days.

Particulars	Details
Name of Lessor	Mr. Jitendra Soni Karta of M/s Jitendra S. Soni (HUF)
Name of Lessee	M/s. Ashapuri Gold Ornament Limited
Description of Property	113, 1st Floor, Super Mal, Nr. Lal Bunglows, C.G Road, Ahmedabad - 380009
Date of agreement	Original lease deed on July 8, 2014, Supplement deed dated June 02, 2015,

	Supplement deed dated May 02, 2019 and Supplement deed dated December 18, 2020
<b>Lease Rent</b>	₹ 69,450/- per month
<b>Usage</b>	Business Activity
<b>Area (Approx)</b>	582 Sq ft.
<b>Period</b>	Till either of the party give a notice of termination before at least 90 days.

<b>Particulars</b>	<b>Details</b>
<b>Name of Lessor</b>	Ms. Kiran Soni and Ms. Alka Soni
<b>Name of Lessee</b>	M/s. Ashapuri Gold Ornament Private Limited
<b>Description of Property</b>	114, 1st Floor, Super Mal, Nr. Lal Bungalows, C.G Road, Ahmedabad - 380009
<b>Date of agreement</b>	Original lease deed on July 8, 2014, Supplement deed dated June 02, 2015, Supplement deed dated May 02, 2019 and Supplement deed dated December 18, 2020
<b>Lease Rent</b>	₹ 69,450/- per month
<b>Usage</b>	Business Activity
<b>Area (Approx)</b>	556.00 Sqft
<b>Period</b>	Till either of the party give a notice of termination before at least 90 days.

<b>Particulars</b>	<b>Details</b>
<b>Name of Lessor</b>	Mr. Dinesh S. Soni Karta of Dinesh S. Soni HUF
<b>Name of Lessee</b>	M/s. Ashapuri Gold Ornament Private Limited
<b>Description of Property</b>	108, 1st Floor, Super Mal, Nr. Lal Bungalow, C.G Road, Ahmedabad - 380009
<b>Date of agreement</b>	Original lease deed July 31, 2019 and Supplement deed dated December 18, 2020
<b>Lease Rent</b>	□ 69,450/- per month
<b>Usage</b>	Business Activity
<b>Area (Approx)</b>	416.00 sq ft
<b>Period</b>	Till either of the party give a notice of termination before at least 90 days.

Note: The Supplement deeds are made only for the revision in the Rent Clause of Original Deed

#### Insurance

<b>Particulars</b>	<b>Details</b>
<b>Name of the Insurance Company</b>	IFFCO-TOKIO General Insurance Company Limited
<b>Name of Insured</b>	Ashapuri Gold Ornament Ltd
<b>Policy No</b>	48024603
<b>Type of Policy</b>	Jewellers Block Protector Policy
<b>Validity Period</b>	From 22/11/2020 To 21/11/2021
<b>Premium Paid (Rs)</b>	149128.4 /-
<b>Sum Insured</b>	4960 lakhs
<b>Risk Location</b>	109 to 114, Super Mall, Nr. Lal Bungalow, C.G Road, Ahmedabad - 380006

## KEY INDUSTRY REGULATIONS AND POLICIES

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

*For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “Government and Other Statutory Approvals” beginning on page 159 of this Draft Prospectus.*

*The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designated nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Central and the State laws, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.*

### LEGISLATIONS RELATED TO THE GEMS AND JEWELLERY INDUSTRY:

#### **The Bureau of Indian Standards Act, 2016**

The Bureau of Indian Standards Act, 2016 (“**BIS Act**”) provides for the establishment of bureau for the standardization, marking and quality certification of goods. Functions of the bureau include, inter-alia, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) conducting such inspection and taking such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license.

Government of India has identified BIS as the sole agency in India to operate the BIS Certification Scheme for Hallmarking of Gold Jewellery (“**BIS Hallmarking Scheme**”). BIS Hallmarking Scheme is operating under BIS Act, Rules and Regulations. It operates on the basis of trust and thus it is desirable that aspects of quality control are in-built in the system responsible for managing quality.

The BIS Hallmarking Scheme has been aligned with International criteria on hallmarking (Vienna Convention 1972). As per this scheme, licence is granted to the jewellers by BIS under BIS Hallmarking Scheme. The BIS certified jewellers can get their jewellery hallmarked from any of the BIS recognized Assaying and Hallmarking Centre. The recognition to an Assaying and Hallmarking Centre is given

against BIS criteria Doc: HMS/RAHC/GO1 which is in line with International criteria on Marking and Control of Precious metals.

A Hallmark, consists of five components i.e. BIS Mark, the Fineness number (corresponding to given caratage), Assaying and Hallmarking Centre's Mark, Jeweller's identification Mark and year of Marking denoted by a code letter and decided by BIS (e.g. code letter 'A' was approved by BIS for year 2000, 'B' being used for the year 2001 and 'C' for 2002 and 'J' for 2008). The marking is done either using punches or laser marking machine.

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

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

In case of consumer disputes, the same can be referred to the redressal forums set up by the government such as the national commission, the state commission and the district forums. When a person against whom a complaint is made fails to or omits to comply with any order made by the forum/commission, such person shall be punishable with imprisonment for a term of not less than a month, but not exceeding three years, or a fine of not less than two thousand rupees, but not more than ten thousand rupees, or both. The CPA 1986 is proposed to be repealed by the Consumer Protection Bill, 2018, once it comes into effect. The Consumer Protection Bill, 2018 has been introduced in Lok Sabha on January 5, 2018 and is still pending approval.

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

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

### **The Foreign Trade (Development and Regulation) Act, 1992 (“FTA”)**

The FTA provides for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India and for matters connected therewith or incidental thereto. As per the provisions of the Act, the Government: (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as

subject them to exemptions; (iii) is authorised to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorised to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export-Import (“EXIM”) Policy.

Under the Indian **Foreign Trade Policy, 2015-2020**, no export or import can be made by a person or company without an Importer Exporter Code number unless such person/company is specifically exempted. Importer Exporter Code (IEC) is mandatory for export/import from/to India as detailed in paragraph 2.05 of the Foreign Trade Policy. An application for an Importer-Exporter Code number has to be made to the office of the Director General of Foreign Trade, Ministry of Commerce (“DGFT”). DGFT has recently introduced the facility of issuing Importer Exporter Code in electronic form (e-IEC). For issuance of e-IEC an application can be made online on DGFT website (<http://dgft.gov.in>). Applicants can upload the documents and pay the required fee through Net banking. An Importer Exporter Code number allotted to an applicant is valid for all its branches/divisions/ units/factories.

### **The Export (Quality Control and Inspection) Act, 1963 (the “Export Act”)**

The Export Act empowers the Government of India to establish, a council called the Export Inspection Council, which would advise the Central Government regarding measures for the enforcement of quality control and inspection in relation to commodities intended for export and to formulate programmes in connection therewith, to make, with the concurrence of the Central Government, grants-in-aid to various agencies involved in foreign trade.

### **Export Scheme for Gems and Jewellery**

Under Foreign Trade Policy 2015-2020 the various schemes for export of Gems and Jewellery are as follows:

- (i) Advance Procurement / Replenishment of Precious Metals from Nominated Agencies: Exporter of gold / silver / platinum jewellery and articles thereof including mountings and findings may obtain gold / silver / platinum as an input for export product from Nominated Agency, in advance or as replenishment after export in accordance with the procedure specified in this behalf.
- (ii) Replenishment Authorisation for Gems: Exporter may obtain replenishment authorisation for gems from regional authority in accordance with procedure specified in handbook of procedures.
- (iii) Replenishment Authorisation for Consumables: Replenishment authorization for duty free import of consumables, tools and other items namely, tags and labels, security censor on card, staple wire, poly bag (as notified by customs) for jewellery made out of precious metals (other than gold & platinum) equal to 2% and for cut and polished diamonds and jewellery made out of gold and platinum equal to 1% of FOB value of exports of the preceding year, may be issued on production of chartered accountant certificate indicating the export performance. However, in case of rhodium finished silver jewellery, entitlement will be 3% of FOB value of exports of such jewellery. This authorisation shall be non-transferable and subject to actual user condition.
- (iv) Advance Authorisation for Precious Metals: Advance Authorisation shall be granted on pre-import basis with ‘Actual User’ condition for duty free import of: (i) Gold of fineness not less than 0.995 and mountings, sockets, frames and findings of 8 carats and above; (ii) Silver of fineness not less than 0.995 and mountings, sockets, frames and findings containing more than 50% silver by weight; (iii) Platinum of fineness not less than 0.900 and mountings, sockets, frames and findings containing more than 50% platinum by weight.

### **The Micro, Small and Medium Enterprises Development Act, 2006 (“MSME Act”)**



In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (“MSME”) the Micro, Small and Medium Enterprises Development Act, 2006 is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951 as “micro enterprise”, where the investment in plant and machinery does not exceed twenty-five lakh rupees; “Small enterprise”, where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees; or a “Medium Enterprise” where the investment in plant and machinery is more than five crore but does not exceed ten crore rupees and in the case of the enterprise engaged in the services, “Micro – enterprise” , where the investment in equipment does not exceed ten lakh rupees, “Small Enterprise” where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees, or “ Medium Enterprise” where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

### **The Gujarat Shops and Establishments act of 1948**

The Gujarat Shops and Establishments act of 1948, takes a holistic approach while dealing with Shops and Establishments, it takes into consideration of every situation wherein the employer is placed, thus accordingly designing the provisions for him/her to smoothly run his/her establishment. It also takes into its view sight the conditions of the employees and it makes an attempt to safeguard their rights. Thus, all in all the Gujarat Shops and Establishments act is a very balanced legislation that takes into consideration the rights and conditions of both the employer and the employee.

### **The Gujarat State Tax on Professions, Traders, Callings and Employments Rules, 1976**

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

Pursuant to Notification No. (GHN-10) PFT-2008-S.3(2)(3)-TH, issued by the Finance Department of Sachivalaya, Gandhinagar, dated 01.04.2008, the Government of Gujarat have specified the rates in column 3, 4 and 5 of the Schedule of the Act, as minimum rates which shall be levied by the respective Designated Authorities for the class of person specified in column 2 of schedule of the Act.

### **Professional Tax**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts

by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

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

The Legal Metrology Act, repeals and replaces the Standard 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 incidental thereto. The Legal Metrology Act, inter alia, provides for: (a) approval of model of weight or measure; (b) verification of prescribed weight or measure by Government approved Test Centre; (c) exempting regulation of weight or measure or other goods meant for export; (d) nomination of a Director by a company who will be responsible for complying with the provisions of the enactment; (e) empowering the Central Government to make rules for enforcing the provisions of the enactment; and (f) penalty for offences and compounding of offences.

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

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

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

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

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

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWWPPR Act”) provides for protection against sexual harassment at the workplace to women and prevention and redressal of complaints of sexual harassment. The SHWWPPR Act defines “Sexual Harassment” to include any unwelcome sexually determined behavior (whether directly or by implication). “Workplace” under the SHWWPPR Act has been defined widely to include government bodies, private and public sector organizations, non-governmental organizations, organizations carrying on commercial, vocational, educational, entertainment, industrial, financial activities, hospitals and nursing homes, educational institutes, sports institutions and stadiums used for training individuals. The SHWWPPR Act requires an employer to set up an “Internal Complaints Committee” at each office or branch, of an organization employing at least 10 employees. The Government in turn is required to set up

a “Local Complaint Committee” at the district level to investigate complaints regarding sexual harassment from establishments where our internal complaints committee has not been constituted.

## **TAX RELATED LEGISLATIONS**

### **Income-Tax Act, 1961 (the “IT Act”)**

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

### **The Central Goods and Services Tax Act, 2017 (the “GST Act”)**

Gujarat Goods and Services Tax Act, 2017  
Central Goods and Services Tax Act, 2017  
The Integrated Goods and Services Tax Act, 2017

Goods and Services Tax (GST) is an indirect tax applicable throughout India which replaced multiple cascading taxes levied by the central and state governments. The GST shall be levied as Dual GST separately but concurrently by the Union (central tax - CGST) and the States (including Union Territories with legislatures) (State tax - SGST) / Union territories without legislatures (Union territory tax-UTGST). The Parliament would have exclusive power to levy GST. (integrated tax - IGST) on inter-State trade or commerce (including imports) in goods or services. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017, following the passage of Constitution 122nd Amendment Bill. The GST is governed by a GST Council and its Chairman is the Finance Minister of India. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% and 18%. Besides, some goods and services would be under the list of exempt items.

### **The Companies Act, 2013**

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

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

The Indian Stamp Act, 1899 prescribes the rates for the stamping of documents and instruments by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded. Under the Indian Stamp Act, 1899, an instrument not ‘duly stamped’ cannot be accepted as evidence by

civil court, an arbitrator or any other authority authorized to receive evidence. However, the document can be accepted as evidence in criminal court.

### **Competition Act, 2002**

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

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

## **INTELLECTUAL PROPERTY LAWS**

### **Trade Marks Act, 1999 as amended (the “Trademark Act”)**

In India, trademarks enjoy protection under both statutory and common law. Indian trademark law permits registration of trademarks for goods and services. The Trademark Act statutorily protects trademarks and prevents use of fraudulent marks in India. Certification marks and collective marks can also be registered under the Trademark Act. An application for trademark registration can be made by individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future. Applications for a trademark registration can be made for in one or more international classes. Once granted, trademark registration is valid for ten years unless cancelled. The mark lapses in ten years unless renewed. The Trademark (Amendment) Act, 2010 has been enacted to amend the Trademark Act, which enables Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other jurisdictions. The amendment also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to align the law with international practice.

### **Patents Act, 1970 (the “Patents Act”)**

The Patents Act governs the patent regime in India. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognise product patents as well as process patents. In addition to the broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act stipulates that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. The Patents Act prohibits any person resident in India from applying for patent for an invention outside India without making an application for the invention in India. The term of a patent granted under the Patents Act is twenty years from the date of filing of the application for the patent.

### **Copyright Act, 1957 (the “Copyright Act”)**

The Copyright Act governs the law protecting copyrights in India and defines infringement and provides remedies for the same. Copyright refers to the exclusive right to do or authorize others to do certain acts in relation to original (1) literary, dramatic or musical works, not being a computer programme; (2) computer programme; (3) artistic work; (4) cinematograph film; and (5) sound recording. The object of

the Copyright Act is to protect the author of a copyrighted work from any unlawful reproduction or exploitation. Copyrights subsist during the life of the author/creator of the work and 60 years thereafter in case the author is a natural person. Registration of copyrights can be done by submitting a registration form to the Copyright office. While copyright registration is not a pre-requisite for acquiring or enforcing a copyright, registration constitutes prima-facie evidence of the particulars entered therein and may expedite infringement proceedings.

### **The Negotiable Instruments Act, 1881 (“NI Act”)**

In India, the laws governing monetary instruments such as cheques are contained in the “NI Act”, which is largely a codification of the English Law on the subject. To ensure prompt remedy against defaulters and to ensure credibility of the holders of the negotiable instrument a criminal remedy of penalty was inserted in Negotiable Instruments Act, 1881 in form of the Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment), 1988 which were further modified by the Negotiable Instruments (Amendment and Miscellaneous Provisions) Act, 2002. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, and with fine which may extend to twice the amount of the cheque, or with both.

### **The Designs Act, 2000 (the “Designs Act”)**

The Designs Act protects any visual design of objects that are not purely utilitarian. An industrial design consists of the creation of a shape, configuration or composition of pattern or colour, or combination of pattern and colour in three-dimensional form containing aesthetic value. It provides an exclusive right to apply a design to any article in any class in which the design is registered.

## **EMPLOYMENT AND LABOUR LAWS**

### **Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees Provident Fund Scheme, 1952**

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

### **The Employees Compensation Act, 1923**

The Employees Compensation Act, 1923 (“EC Act”) (and the amendments thereof) provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under the EC Act, the amount of compensation to be paid depends on the nature and severity of the injury. The EC Act also lays down the duties/obligations of an employer and penalties in cases of non-fulfilment of such obligations thereof. There are separate methods of calculation or estimation of compensation for injury sustained by

the employee. The employer is required to submit to the Commissioner for Employees' Compensation a report regarding any fatal or serious bodily injury suffered by an employee within seven days of death\ serious bodily injury.

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

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

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

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

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

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

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

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment covered under this Act to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

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

The Equal Remuneration Act, 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith. The act was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution.

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

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

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

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

## **ENVIRONMENT RELATED LAWS**

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes given below is to control, abate and prevent pollution. In order to achieve these objectives, State PCB, which are vested with diverse powers to deal with water and air pollution, have been set up in each state and in the Centre. The State 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 of search, seizure and investigation. All industries are required to obtain consent orders from the State PCBs, which are required to be periodically renewed.

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

The Environment Act is an umbrella legislation designed to provide a framework for the Central Government to coordinate activities of various state and central authorities established under previous environmental laws. The Environment Act specifies that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environment pollutants in excess of such standards as may be prescribed. The Environment Act empowers the Central Government to make rules for various purposes viz., to prescribe: (i) the standards of quality of air, water or soil for various areas; (ii) the maximum allowable limits of concentration of various environmental pollutants for different areas; (iii) the procedures and safeguards for the prevention of accidents which may cause environmental pollution and remedial measures for such accidents.

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

In exercise of powers conferred under the Environment Act, the Central Government notified the Environment Rules. Pursuant to Environment Rules, every person who carries on an industry, operation

or process requiring consent under Water (Prevention and Control of Pollution) Act, 1974 or Air (Prevention and Control of Pollution) Act, 1981 or shall submit to the concerned Pollution Control Board (“PCB”) an environmental statement for that financial year in the prescribed form.

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

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



## HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was originally incorporated as “Ashapuri Gold Ornament Private Limited” as a private limited company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated June 17, 2008 bearing Corporate Identification Number U36910GJ2008PTC054222 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company was converted in to a public limited Company pursuant to a special resolution passed by our shareholders at the EGM held on January 09, 2019 and consequently the name of our Company was changed to “Ashapuri Gold Ornament Limited” and a fresh certificate of incorporation was issued by the Registrar of Companies, Ahmedabad dated January 23, 2019. Further, shares of our company got listed and traded pursuant to Initial Public Offering on SME Platform of BSE Limited with effect from March 27, 2019. The CIN of the Company is L36910GJ2008PLC054222.

### Business and Management

For a description of our activities, products, technology, market segments, the growth of our Company, capacity/facility, locations of plants and regional geographical segment in which our Company, please refer chapters titled “*Business Overview*”, “*Industry Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 79, 69 and 148 of this Draft Prospectus, respectively. For details of the management and managerial competence of our Company, please refer chapter titled “*Our Management*” beginning on page 107 of this Draft Prospectus.

### Changes in Registered Office

At present, the registered office of the company is situated at 109 to 112A, 1st Floor Supermall, Nr. Lal Bungalow, C.G. Road, Ahmedabad– 380009

Changes in registered office since its incorporation to till date is set forth as under:

Sr. No.	Registered Office		With Effect From	Reason for Change
	Shifted From	Shifted To		
1.	1170, Bandharano Khancho, Madan Gopal Haveli Road, Manekchowk, Ahmedabad - 380001	109 to 112A, 1st Floor Supermall, Nr. Lal Bungalow, C.G. Road, Ahmedabad - 380009	April 01, 2015	For administrative convenience

### Main Objects as set out in the Memorandum of Association of the Company

The Main object clause of the Company as per Memorandum of Association is as under:

To carry on in India or elsewhere, the business to manufacture, design, develop, modify, build, encourage, refine, repair, process, prepare, fabricate, alter, dismantle, provide, exchange, remove, set, convert, finish, polish, cut, fit, trim, contract, sub-contract, supply, turn to account, let on, hire, buy, sell, import, export, wholesale, retail and to act as agent, broker, adatia, job worker, consignor, contractor, vendor, collaborator, stockiest, distributor or otherwise to deal in all shapes, sizes, varieties, designs, applications, combinations and uses of ornaments, apparel, gems, jewelleryes, goods, watches, clocks, cutleries, fabrics, utensils, antiques, article and things, their parts, accessories, fittings, components, ingredients and materials thereof together with precious, semi precious, imitation, synthetic, natural or other varieties of stones and materials whatsoever.

### Amendments to the Memorandum of Association

The following changes have been made in the Memorandum of Association of our Company since its inception:

Sr. No.	Date of Passing of Resolution	Type of Meeting	Particulars
1.	March 16, 2009	EGM	Clause V of the MoA was amended to reflect the increase in the authorized share capital of 5,00,000 divided into 50,000 equity Shares of ₹ 10 each was increased to ₹ 10,00,000 divided into 1,00,000 equity shares of ₹ 10 each.
2.	February 28, 2015	EGM	Deleting Clause C - Other Objects from the Memorandum of Association
3.	December 10, 2018	EGM	The authorized share capital of ₹ 10,00,000 divided into 1,00,000 equity shares of ₹ 10 each was increased to ₹ 21,00,00,000 divided into 2,10,00,000 equity shares of ₹ 10 each.
4.	January 9, 2019	EGM	Clause III (A) of MoA was amended to reflect the conversion of the Company from a private limited company to public limited company and the consequent change in name from "Ashapuri Gold Ornament Private Limited" to "Ashapuri Gold Ornament Limited"
5.	January 21, 2019	EGM	The authorized share capital of ₹21,00,00,000 divided into 2,10,00,000 equity shares of ₹10 each was increased to ₹21,50,00,000 divided into 2,15,00,000 equity shares of ₹10 each.
6.	September 24, 2020	AGM	The authorized share capital of ₹21,50,00,000 divided into 2,15,00,000 equity shares of ₹10 each was increased to ₹25,00,00,000 divided into 2,50,00,000 equity shares of ₹10 each.

#### Major Events and milestones of our Company

Year	Events
2014	Received BIS certification (license No. CM/L - 3643764) as per IS 1417:1999 in respect of Gold and Gold Alloys, Jewellery / Arte facts - Fineness and Marking.
2015	Our Company had shifted the operations from Manekchowk, Ahmedabad to 109 to 112A, 1st Floor Supermall, Nr. Lal Bunglow, C.G. Road, Ahmedabad – 380009 in large space having 2945 Sq. Feet area.
2018	Entered into partnership with M/s. Blue - Onyx Lifestyle
2019	Listing of Shares on SME Platform of BSE Limited pursuant to Initial Public Offer Our company has purchased 501 and 502, Golden Signature, B/h Ratnam Building, Off C.G Road, Navrangpura, Ahmedabad – 380009 admeasuring 2194.02 sq. ft for starting a manufacturing unit of Jewellery.

#### Awards, Accreditations or recognition

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

**Acquisition or divestments of business/undertakings, mergers and amalgamations**

Except as stated below, our Company has neither acquired any entity, business or undertakings nor has undertaken any mergers or amalgamation during the last ten (10) years.

During the year 2018-19, our company has entered in to partnership with Mrs. Kiran Soni and Mrs. Alka Soni, the partner of M/s. Blue - Onxy Lifestyle, carrying on business of Branded Readymade Garments having exclusive showrooms at Ahmedabad, Surendranagar, Mehsana and Godhra. The Company is holding 80% stake in the partnership firm.

At present all the showrooms except at Ahmedabad were closed by the partnership firm due to loss in the business. However the Initial loss in the readymade garments business due to lack of experience of the promoter in the garment business, so the Board of Directors has decided to invest their fund in income generating business rather than unproductive business. The company proposes to recall the fund deployed in “Blue Onyx Lifestyle” and infuse the same into “working capital requirements” of the company. The Company is entitled to share profit only of the firm and not the loss of the partnership firm

**Strategic Partners**

Our Company is not having any strategic partner as on the date of filing this Draft Prospectus.

**Financial Partners**

Our Company is not having any financial partner as on the date of filing this Draft Prospectus.

**Time and Cost Overruns**

As on the date of this Draft Prospectus, there have been no time and cost overruns pertaining to our business operations, except in the ordinary course of business.

**Injunctions or Restraining Orders:**

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

**Changes in the activities of our Company in the last Five years**

There is no change in activity of our Company since incorporation.

**Defaults or rescheduling of borrowings of our Company with Financial Institutions/Banks**

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

**Revaluation of assets**

Our Company has not revalued its assets since incorporation and has not issued any Equity Shares by capitalizing any revaluation reserves.

**Subsidiaries and Holding Company:**

Our Company neither has a Holding company nor has any Subsidiaries Company as on the date of this Draft Prospectus.

**Joint Ventures**

Our Company has not entered into any joint-ventures as on the date of this Draft Prospectus.

**Shareholders' Agreements**

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

**Other Agreements**

As on the date of this Draft Prospectus our Company has not entered into any agreements other than those entered into in the ordinary course of business with Key Managerial Personnel or Directors or Promoters or any other employee of the issuer, either by themselves or on behalf of any other person and there are no material agreements before the date of this Draft Prospectus.

## OUR MANAGEMENT

Under our Articles of Association, our Company is required to have not less than three (3) directors and not more than fifteen (15) directors. Our Company currently has 6 directors on Board of which 3 (three) are Non-Independent Directors and 3 (three) are Independent directors, they are:

The Following table sets forth details regarding the Board of Directors as of the date of this Draft Prospectus:

Name, DIN, Date of Birth, Age, Address, Occupation, Nationality	Date of Appointment and Term	Other Directorships
<b>Mr. Saremal Soni</b> <b>Address:</b> 4/A, Shivsankalp Society, Nr. Amikunj Cross Road, Naranpura, Ahmedabad - 380013, Gujarat, India <b>DOB &amp; Age:</b> June 3,1945 (75 Years) <b>Designation:</b> Chairman Cum Managing director <b>Status:</b> Executive & Non-Independent <b>DIN:</b> 02288750 <b>Occupation:</b> Business <b>Nationality:</b> Indian	November 1, 2008  <b>Term:</b> Appointed as a Chairman Cum Managing Director w.e.f. January 01, 2019 for a period of 5 years i.e. up to December 31, 2023.	Nil
<b>Mr. Dinesh Soni</b> <b>Address:</b> 21/A, Shivsankalp Society, Nr. Amikunj Cross Road, Naranpura, Ahmedabad - 380013, Gujarat, India. <b>DOB &amp; Age:</b> February 12,1978 (42Years) <b>Designation:</b> Managing Director <b>Status:</b> Executive & Non-Independent <b>DIN:</b> 01795746 <b>Occupation:</b> Business <b>Nationality:</b> Indian	June 17, 2008  <b>Term:</b> Appointed as a Managing Director w.e.f. January 01, 2019 for a period of 5 years i.e. up to December 31, 2023.	Nil
<b>Mr. Jitendra Soni</b> <b>Address:</b> 4/A, Shivsankalp Society, Nr. Naranpura Char Rasta, Naranpura, Ahmedabad - 380013, Gujarat, India. <b>DOB &amp; Age:</b> February 3,1981(40 Years) <b>Designation:</b> Joint Managing Director <b>Status:</b> Executive & Non-Independent <b>DIN:</b> 01795752 <b>Occupation:</b> Business <b>Nationality:</b> Indian	June 17, 2008  <b>Term:</b> Appointed as a Joint Managing Director w.e.f. January 01, 2019 for a period of 5 years i.e. up to December 31, 2023.	Nil
<b>Mr. Mukeshkumar Mandaliya</b> <b>Address:</b> C-301, Utsav Eligance, Bhuyangdev,Sola Road, Ahmedabad –380063, Gujarat, India <b>DOB &amp; Age:</b> May11, 1973 (47 Years) <b>Designation:</b> Director <b>Status:</b> Independent Director <b>DIN:</b> 08540099 <b>Occupation:</b> Service <b>Nationality:</b> Indian	August 30, 2019  <b>Term:</b> Appointed as an Independent Director for 5 (five) consecutive years.	Nil
<b>Mr. Rushikesh Patel</b> <b>Address:</b> 33 Tapovan Society, Part 1, Anil Starch Road,	July 19, 2019	Nil

<b>Name, DIN, Date of Birth, Age, Address, Occupation, Nationality</b>	<b>Date of Appointment and Term</b>	<b>Other Directorships</b>
<b>Saraspur, Ahmedabad- 380018, Gujarat India</b> <b>DOB &amp; Age:</b> March 10,1977 (43 Years) <b>Designation:</b> Director <b>Status:</b> Independent Director <b>DIN:</b> 08506862 <b>Occupation:</b> Service <b>Nationality:</b> Indian	<b>Term:</b> Appointed as an Independent Director for 5 (five) consecutive years.	
<b>Ms. Alka Kamdar</b> <b>Address:</b> B-503, Agrawal Apartment, Madhur Hall, Anandnagar Cross Road, Satellite, Ahmedabad - 380015 <b>DOB &amp; Age:</b> December 09, 1971 (49 Years) <b>Designation:</b> Director <b>Status:</b> Independent Director <b>DIN:</b> 08319268 <b>Occupation:</b> Service <b>Nationality:</b> Indian	January 3, 2019  <b>Term:</b> Appointed as an Independent Director for 5 (five) consecutive years.	Nil

**Confirmations:**

- A. None of our Directors are/were director 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 years.
- B. None of our Directors are/were director of any company whose shares were delisted from any stock exchange(s) up to the date of filing of this Draft Prospectus.
- C. None of the above mentioned Directors are on the RBI List of willful defaulters.
- D. None of the Promoters, persons forming part of our Promoter Group, our Directors or persons in control of our Company or our Company is debarred from accessing the capital market by SEBI.
- E. None of the Promoters, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- F. No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company.

**Relationship between the Directors**

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

<b>Director</b>	<b>Other Director/s</b>	<b>Relation</b>
Mr. Saremal Soni	Mr. Dinesh Soni Mr. Jitendra Soni	Father-Son
Mr. Dinesh Soni	Mr. Jitendra Soni	Brothers

**Arrangement and understanding with major shareholders, customers, suppliers and others**

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

## **Service Contracts**

None of our directors have entered into any service contracts with our company and no benefits are granted upon their termination from employment other than the statutory benefits provided by our company.

Except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the directors and key Managerial personnel are entitled to any benefits upon termination of employment.

## **Borrowing Powers of the Board of Directors**

Our Articles, subject to the provisions of Section 180(1) (c) of the Companies Act, 2013 authorizes our Board, to raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. The shareholders of the Company, through a resolution passed at the EGM held on January 28, 2019 authorised our Board to borrow monies together with monies already borrowed by us, in excess of the aggregate of the paid-up capital of the Company and its free reserves, apart from the temporary loans obtains from the Companies banker in the ordinary course of business, not exceeding ₹100 crores.

## **Brief Profiles of Our Directors**

### **Mr. Saremal Soni**

Mr. Saremal Soni, aged 75 years, is the Promoter & Chairman Cum Managing director of our company. He has been the Director of our company since 2008. He has studied up to Higher Secondary Education from Rajasthan Higher Secondary Education Board. He has experience of approximately 25 years in the jewellery Industry. He has professional experience around 32 years in field of accounting. He presently looks after the finance & administrative activities of the Company.

### **Mr. Dinesh Soni**

Mr. Dinesh Soni, aged 42 years, is the Promoter and Managing Director of our company. He was appointed as Managing Director of the Company w.e.f. January 01, 2019 He has completed his first year in Commerce from Gujarat University. He has started a Private Limited Company in the year of 2008.under the name and style of M/s. Ashapuri Gold Ornament Pvt. Ltd. He has been instrumental force in formulating and the implementing the business strategies of our company and he is entrusted with the responsibility to look after the manufacturing, Purchase, expansion, overall management and operations of the company.

### **Mr. Jitendra Soni**

Mr. Jitendra Soni, aged 40 years, is Promoter and Joint Managing Director of our company. He has been appointed as Joint Managing Director of our company w.e.f. January 01, 2019. He holds a Bachelor degree in Commerce from Gujarat University, Ahmedabad. He has more than 20 years of experience in jewellery industry. He also supervises and manages the sales, marketing & human resources of the company.

### **Mr. Mukeshkumar Mandaliya**

Mr. Mukesh Mandaliya, aged 47 years, is an Independent Director of our Company. He is non-matriculated. He has got 25 years of experience in manufacturing Jewellery on Job Work basis. He holds specialisation in making, plain or studded gold jewellery on job work basis.

### **Mr. Rushikesh Patel**

Mr. Rushikesh Patel, aged 43 years, is an Independent Director of our company. He has completed his Master of Commerce in the year 2000 from the Gujarat University. He has knowledge in the field of Accountancy and computer programming. Since 2006 he is serving at The Karnavati Co-Op Bank Limited at different level. He has more than 14 years of experiences in Finance Industry. His knowledge in finance helps our Company

**Ms. Alka Kamdar**

Mrs. Alka Kamdar aged 49 years, is an Independent Director of our Company. She has been appointed as an Independent Director of the company from January 5, 2019. She has completed her F.Y.B.com from Amravati University, Maharashtra. She has a more than 16 Years' experience in education field.

**Compensation and Benefits paid to the Chairman cum Managing Director, Managing Director and Joint Managing Director are as follows:**

Mr. Saremal Soni has been appointed as the Chairman Cum Managing Director of the company with effect from January 01, 2019 for a period of five years.

**The remuneration payable is as follows:**

<b>Name</b>	Mr. Saremal Soni
<b>Designation</b>	Chairman Cum Managing Director
<b>Date of Appointment</b>	January 01, 2019
<b>Period</b>	For a period of 5 years i.e. up to December 31, 2023.
<b>Salary</b>	₹90 Lakhs per Year
<b>Remuneration paid in 2019-20</b>	₹41.50 Lakhs*

\*In the Resolution Passed by Board of Directors on November 14, 2019, the salary of Mr. Saremal Soni was revised. The Salary was once again revised on August 26, 2020 due to Covid 19.

Mr. Dinesh Soni has been appointed as the Managing Director of the company with effect from January 01, 2019 for a period of five years.

**The remuneration payable is as follows:**

<b>Name</b>	Mr. Dinesh Soni
<b>Designation</b>	Managing Director
<b>Date of Appointment</b>	January 01, 2019
<b>Period</b>	For a period of 5 years i.e. up to December 31, 2023.
<b>Salary</b>	₹90 Lakhs per Year
<b>Remuneration paid in 2019-20</b>	₹54.22 Lakhs*

\*In the Resolution Passed by Board of Directors on November 14, 2019, the salary of Mr. Dinesh Soni was revised. The Salary was once again revised on August 26, 2020 due to Covid 19.

Mr. Jitendra Soni has been appointed as the Joint Managing Director of the company with effect from January 01, 2019 for a period of five years

**The remuneration payable is as follows:**

<b>Name</b>	Mr. Jitendra Soni
<b>Designation</b>	Joint Managing Director
<b>Date of Appointment</b>	January 01, 2019
<b>Period</b>	For a period of 5 years i.e. up to December 31, 2023.



<b>Salary</b>	₹90 Lakhs per Year
<b>Remuneration paid in 2019-20</b>	₹52.00 Lakhs*

\*In the Resolution Passed by Board of Directors on November 14, 2019, the salary of Mr. Jitendra Soni was revised. The Salary was once again revised on August 26, 2020 due to Covid 19.

#### **Sitting fees payable to Non-Executive Directors.**

We have not paid any sitting fees to our Non- Executive Directors.

#### **Shareholding of Directors:**

The shareholding of our directors as on the date of this Draft Prospectus is as follows:

<b>Sr. No.</b>	<b>Name of Directors</b>	<b>No. Equity Shares held</b>	<b>Category/ Status</b>
1.	Mr. Saremal Soni	32,20,800	Chairman Cum Managing Director
2.	Mr. Dinesh Soni	23,15,940	Managing Director
3.	Mr. Jitendra Soni	22,11,330	Joint Managing Director

#### **Interest of Directors**

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

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

Except as stated under *Annexure –30* - Related Party Transaction on page 145 of this Draft Prospectus, our company has not entered into any contracts, agreements or arrangements during the preceding two years from the date of the Draft Prospectus in which our directors are interested directly or indirectly.

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

Our Directors have no interest in any property acquired by our Company in a period of two (2) years prior to the date of this Draft Prospectus, or proposed to be acquired by our Company.

#### **Business Interest**

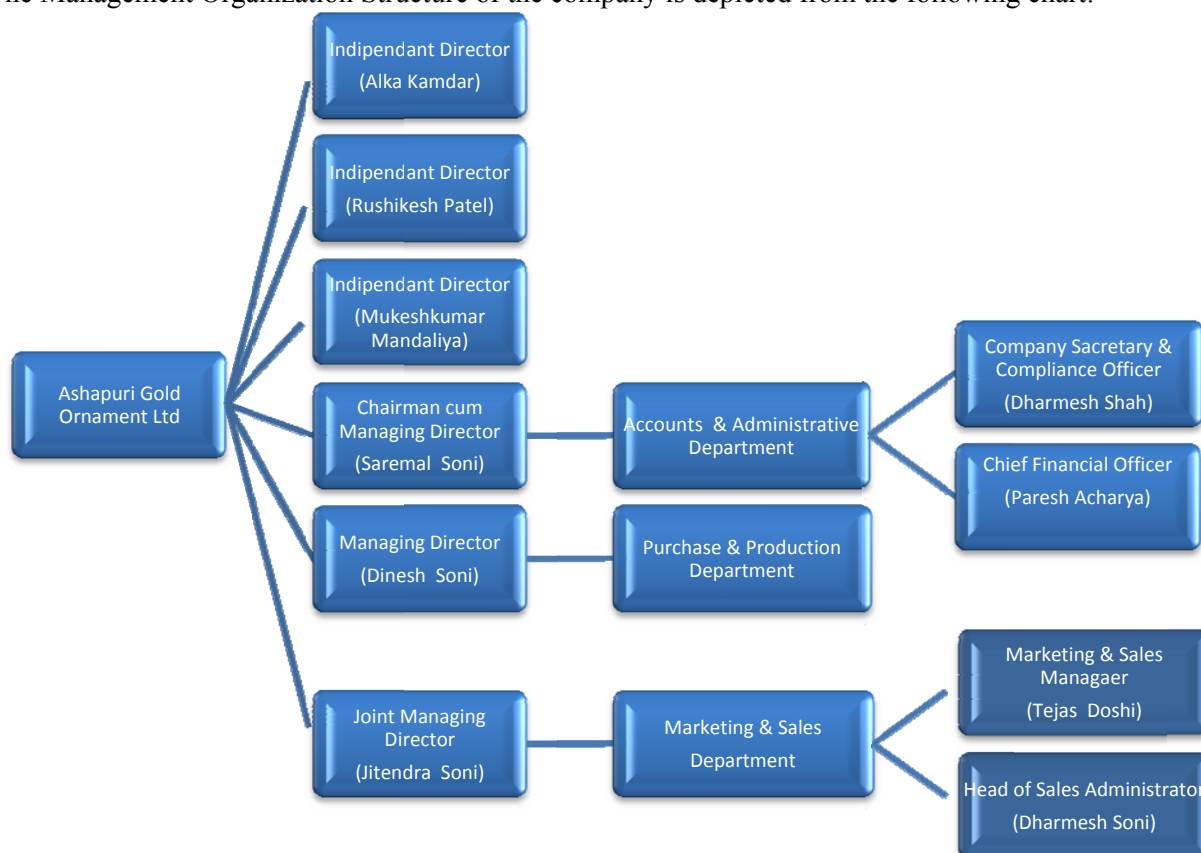
Except as stated in section titled “*Financial Statements*” on page 124 of this Draft Prospectus, and to the extent of shareholding in our Company, and any dividends payable to them and other distributions in respect of the Equity Shares, our Directors do not have any other interest in our business.

#### **Changes in the Board of Directors during the Last Three Years**

Name of Directors	Date of Appointment	Date of change in Designation	Date of Cessation	Reason for the changes in the board
Mr. Saremal Soni	November 1, 2008	January 01, 2019	-	Appointed as Chairman Cum Managing Director
Mr. Dinesh Soni	June 17, 2008	January 01, 2019	-	Appointed as Managing Director
Mr. Jitendra Soni	June 17, 2008	January 01, 2019	-	Appointed as Joint Managing Director
Mr. Jignesh Pandya	January 3, 2019	January 05, 2019 <sup>1</sup>	August 30, 2019 <sup>2</sup>	<sup>1</sup> Regularised as Director <sup>2</sup> Cessation as Director
Mr. Bhavesh Patadiya	January 3, 2019	January 05, 2019 <sup>1</sup>	July 19, 2019 <sup>2</sup>	<sup>1</sup> Regularised as Director <sup>2</sup> Cessation as Director
Ms. Alka Kamdar	January 3, 2019	January 05, 2019	-	Appointed as Independent Director
Mr. Rushikesh Patel	July 19, 2019	September 30, 2019	-	Appointed as Independent Director
Mr. Mukeshkumar Mandaliya	August 30, 2019	September 30, 2019	-	Appointed as Independent Director

### Management Organization Structure

The Management Organization Structure of the company is depicted from the following chart:



## COMPLIANCE WITH CORPORATE GOVERNANCE

In additions to the applicable provisions of the Companies Act, 2013, with respect to the Corporate Governance, provisions of the SEBI Listing Regulations except Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 and Para C, D, and E of Schedule will be applicable to our company immediately upon the listing of Equity Shares on the Stock Exchanges.

### Constitutions of Committees

Our company has constituted the following Committees of the Board:

1. Audit Committee.
2. Stakeholders Relationship Committee.
3. Nomination and Remuneration Committee.

#### *1. Audit Committee:*

Our Company in pursuant to section 177 of the Companies Act, 2013 constituted the Audit Committee in Board meeting dated January 24, 2019 and re-constituted in the Board Meeting dated August 30, 2019.

The members of the Audit Committee are as follows:

Name of the Directors	Designation	Nature of Directorship
Mr.Rushikesh Patel	Chairman	Non Executive Independent Director
Ms. Alkaben Kamdar	Member	Non Executive Independent Director
Mr. Mukeshkumar Mandaliya	Member	Non Executive Independent Director

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

### Terms of Reference

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

#### Role of Audit Committee

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

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

6. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
7. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
8. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
9. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
10. Discussion with internal auditors any significant findings and follow up there on;
11. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
12. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
13. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
14. To review the functioning of the Whistle Blower mechanism, in case the same is existing;
15. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
16. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
17. Valuation of undertakings or assets of the company, where ever it is necessary.
18. Evaluation of internal financial controls and risk management systems;
19. Monitoring the end use of funds raised through public offers and related matters.

#### **Review of information by Audit Committee**

The audit committee shall mandatorily review the following information:

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

#### **Powers of the Audit Committee:**

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

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

## **2. Stakeholders Relationship Committee**

Our Company in pursuant to section 178 of the Companies Act, 2013 constituted the Stakeholders Relationship Committee in Board meeting dated January 24, 2019 and reconstituted in the Board Meeting dated August 30, 2019.

The members of the Stakeholders Relationship Committee are as follows:

<b>Name of the Directors</b>	<b>Designation</b>	<b>Nature of Directorship</b>
Ms. Alkaben Kamdar	Chairman	Non Executive Independent Director
Mr. Rushikesh Patel	Member	Non Executive Independent Director
Mr. Mukeshkumar Mandaliya	Member	Non Executive Independent Director

Our Company Secretary and Compliance officer will act as the secretary of the Committee. The committee shall be governed by the "Terms of Reference" of the Stakeholders Relationship Committee as under and will carry out the following:

#### **Terms of Reference**

- Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares;
- Redressal of shareholder and investor complaints like transfer of Shares, non-receipt of balance sheet, non-receipt of declared dividends etc.,
- Issue duplicate/split/consolidated share certificates;
- Dematerialization/Rematerialization of Share
- Review of cases for refusal of transfer / transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances and to otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- Such other matters as may from time to time are required by any statutory, contractual or other regulatory requirements to be attended to by such committee.
- Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
- Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

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

Our Company in pursuant to section 178 of the Companies Act, 2013 constituted the Nomination and Remuneration Committee in Board meeting dated January 24, 2019 and Reconstituted in the Board Meeting dated August 30, 2019.

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

<b>Name of the Directors</b>	<b>Designation</b>	<b>Nature of Directorship</b>
Ms. Alkaben Kamdar	Chairman	Non Executive Independent Director
Mr. Rushikesh Patel	Member	Non Executive Independent Director
Mr. Mukeshkumar Mandaliya	Member	Non Executive Independent Director

Our Company Secretary and Compliance officer will act as the secretary of the Committee. The committee shall be governed by the "Terms of Reference" of the Nomination and Remuneration Committee as under and will carry out the following:

#### **The terms of reference:**

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Devising a policy on Board diversity, if any;

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every director's performance
- Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
- Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

### Our Key Management Personnel

The Key Managerial Personnel of our Company other than our Directors are as follows:

Name, Designation and Date of Joining	Qualification	Remuneration paid In previous year (2019-20)(₹in Lakhs)	Previous Employment & Experience
Mr. Dharmesh Shah Company Secretary & Compliance Officer D.O.J- June 04, 2019	Bachelor of Commerce, LL.B. and Company Secretary	1.36 Lakhs	Citelum India Pvt. Ltd. More than 10 years
Mr. Paresh Acharya Chief Financial Officer D.O.J- July 24, 2020	Master of Commerce	0.50 Lakhs	V2V Finance Services More than 14years
Mr. Tejas Doshi Marketing & Sales Manager D.O.J.- April 1,2015	Bachelor of Commerce	5.00 Lakhs	GE capital TFS Ltd. More than 18 years
Mr. Dharmesh Soni Head of Sales Administrator D.O.J.- March 02, 2020	-	0.07 Lakhs	M I Soni More than 18 years

#### Notes:

- All the key managerial personnel mentioned above are on the payrolls of our Company as permanent employees.
- There is no arrangement / understanding with major shareholders, customers, suppliers or others pursuant to which any of the above-mentioned personnel have been recruited.
- None of our Key Managerial Personnel has been granted any benefits in kind from our Company, other than their remuneration.
- None of our Key Managerial Personnel has entered into any service contracts with our company and no benefits are granted upon their termination from employment other than statutory benefits provided by our Company.

#### Relationship of Key Managerial Personnel

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

#### Shareholding of the Key Management Personnel

None of our Key Managerial Personnel holds Equity Shares in our Company as on the date of filing of this Draft Prospectus.

#### Bonus or Profit-sharing plan for the Key Management Personnel

Our Company does not have any bonus or profit-sharing plan for our Key Managerial personnel.

### **Changes in the Key Management Personnel**

The following are the changes in the Key Management Personnel in the last three years preceding the date of filing this Draft Prospectus, otherwise than by way of retirement in due course.

<b>Name</b>	<b>Designation</b>	<b>Date of Appointment</b>	<b>Date of Cessation</b>	<b>Reason of Changes</b>
Mr. Prince Saraf	Company Secretary & Compliance Officer	January 3, 2019	June 03, 2019	Resignation
Mr. Aagam Doshi	Chief Financial Officer	January 3, 2019	November 14, 2019	Resignation
Mr. Dharmesh Shah	Company Secretary & Compliance Officer	June 04, 2019	-	Appointment
Mr. Paresh Acharya	Chief Financial Officer	July 24, 2020	-	Appointment

### **Employee Stock Option Scheme**

As on the date of filing of Draft Prospectus company does not have any ESOP Scheme for its employees.

### **Relation of the Key Managerial Personnel with our Promoters/ Directors**

None of the Key Managerial Personnel of our company are relatives to our Promoter / Director, in terms of the Companies Act, 2013.

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

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

## OUR PROMOTERS AND PROMOTER GROUP

The Individual Promoters of our Company are:

<p><b>Mr. Saremal Soni</b></p> 	<p><b>Mr. Saremal Soni, aged 75 years is the Promoter, Chairman cum Managing Director of our Company.</b>  <b>Date of Birth</b> – June 03, 1945  <b>Personal Address</b> - 4/A, Shivsankalp Society, Nr. Amikunj Cross Road, Naranpura, Ahmedabad - 380013, Gujarat, India.  <b>Permanent Account Number:</b> ACIPS7253D  <b>Aadhaar Card No.:</b>6961 9162 2089  <b>Driving License:</b> GJ01 20050186527                      For further details of his educational qualifications, experience, positions / posts held in the past, directorships held and special achievements please refer chapter titled “<i>Our Management</i>” beginning on page 107 of this Draft Prospectus.</p>
<p><b>Mr. Dinesh Soni</b></p> 	<p><b>Mr. Dinesh Soni, aged 42 years is the Promoter, Managing Director of our Company.</b>  <b>Personal Address:</b> 21/A, Shivsankalp Society, Nr. Amikunj Cross Road, Naranpura, Ahmedabad - 380013, Gujarat, India.  <b>Date of Birth</b> – February 12, 1978  <b>Permanent Account Number</b> - ACIPS7249B  <b>Aadhaar Card No.:</b> 713188535462  <b>Driving License:</b> GJ01 19970000878                      For further details of his educational qualifications, experience, positions / posts held in the past, directorships held and special achievements, please refer chapter titled “<i>Our Management</i>” beginning on page 107 of this Draft Prospectus</p>
<p><b>Mr. Jitendra Soni</b></p> 	<p><b>Mr. Jitendra Soni, aged 40 years is the Promoter, Joint Managing Director of our Company</b>  <b>Date of Birth</b> – February 03, 1981  <b>Personal Address:</b> 4/A, Shivsankalp Society, Nr. Naranpura Char Rasta, Naranpura, Ahmedabad – 380013, Gujarat, India.  <b>Permanent Account Number:</b> AMKPS3030J  <b>Aadhaar Card No.:</b> 203390198365  <b>Driving License:</b> GJ0130094302                      For further details of his educational qualifications, experience, positions / posts held in the past, directorships held and special achievements, please refer chapter titled “<i>Our Management</i>” beginning on page 107 of this Draft Prospectus</p>

### Confirmations

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

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



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

#### **Other ventures of Promoters**

<b>Name of the Promoter</b>	<b>Name of the venture</b>	<b>Nature of Interest</b>
<b>Mr. Saremal Soni</b>	M/s. Saremal Soni HUF	Karta
	M/s. Blue Onyx Lifestyle	Partner
<b>Mr. Dinesh Soni</b>	M/s. Dinesh Soni HUF	Karta
<b>Mr. Jitendra Soni</b>	M/s. Jitendra Soni HUF	Karta

#### **Change in the management and control of the Issuer**

Our Promoters are the original promoters of our Company and there has not been any change in the control of our Company in the five years immediately preceding the date of this Draft Prospectus.

#### **Relationship of Promoters with each other and with our Directors**

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

<b>Director</b>	<b>Other Director/s</b>	<b>Relation</b>
Mr. Saremal Soni	Mr. Dinesh Soni and Mr. Jitendra Soni	Father – Sons
Mr. Dinesh Soni	Mr. Jitendra Soni	Brothers

#### **Interest of Promoters**

Some of our Promoters are interested in our Company to the extent of the promotion of our Company and to the extent of their shareholdings and directorships in our Company and the shareholding of their relatives in our Company and the dividend declared and due, if any, and employment related benefits, if any paid by our Company. For further details, please refer chapters titled “*Capital Structure*” and “*Our Management*” beginning on pages 42 and 107, respectively of this Draft Prospectus. Our Promoters may also be interested to the extent of providing personal guarantees for some of the loans taken by our Company. For further details, please refer chapters titled “*Capital Structure - Shareholding of our Promoters and Promoter Group*” beginning on page 42 and “*Financial Statements*” on page 124, respectively of this Draft Prospectus

Further, our Promoter is also partner and Karta of HUF entities and may be deemed to be interested to the extent of the payments made by our Company, if any, to these Promoter Group entities. For the payments that are made by our Company to certain Promoter Group entities, please see the section *Annexure –30 “Related Party Transactions”* on page no. 145.

#### ***Interest in the properties of our Company***

Our Promoters and members of Promoter Group do not have any interest in any property acquired by or proposed to be acquired by our Company during a period of three years prior to filing of the Draft Prospectus.

#### ***Interest as members of our Company***

Our Promoters are interested to the extent of their shareholding, the dividend declared in relation to such shareholding, if any, by our Company. For further details in this regard, please refer chapter titled “*Capital Structure*” beginning on page 42 of this Draft Prospectus.

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

### Other Interest

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

### Payment of benefits to our Promoters

Except as stated in the *Annexure – 30 “Related Party Transactions”* on page 145 there has been no payment of benefits to our Promoters during the two years preceding the filing of this Draft Prospectus.

### Guarantees

Except as stated in the section titled "*Financial Statements*" beginning on page 124 of this Draft Prospectus, respectively, there are no material guarantees given by the Promoters to third parties with respect to specified securities of the Company as on the date of this Draft Prospectus.

### Details of Companies / Firms from which our Promoters have disassociated

None of our Promoters have disassociated themselves from any firms or companies in the last three (3) years preceding this Draft Prospectus.

### Our Promoter Group

Our Promoter Group in terms of Regulation and 2(1)(pp) of the SEBI ICDR Regulations. In addition to our Promoters named above, the following individuals and entities form a part of the Promoter Group:

#### A. Individual persons who are part of our Promoter Group

**Promoters: Mr. Saremal Soni, Mr. Dinesh Soni and Mr. Jitendra Soni.**

Relationship with promoter			
Promoter	Saremal Soni	Dinesh Soni	Jitendra Soni
Father	Late. Champalal Soni	Saremal Soni	Saremal Soni
Mother	Late. Paliben Soni	Narmada Soni	Narmada Soni
Spouse	Narmada Soni	Kiran Soni	Alka Soni
Brother	Late. Leharchand Soni	Jitendra Soni	Dinesh Soni
Sister	Late. Mani Soni Hanja Soni	Priyanka Soni	Priyanka Soni
Son	Dinesh Soni Jitendra Soni	Jenik Soni	Shasan Soni
Daughter	Priyanka Soni	Herina Soni Preya Soni Presha Soni	Flora Soni
Spouse's Father	Late. Manganlal Soni	Kevalchand Soni	Kevalchand Soni
Spouse's Mother	Late. Naju Soni	Bhagvati Soni	Bhagvati Soni
Spouse's Brother	Raju Soni Late. Motilal Soni Late. Mohan Soni	Bhavesh Soni Nirav Soni	Bhavesh Soni Nirav Soni
Spouse's Sister	Kanta Soni	Alka Soni	Kiran Soni

Relationship with promoter			
	Meera Soni Chandrika Soni Joytsna Soni		

**B. Companies, Proprietary concerns, HUF's forming part of our promoters**

Sr. No	Name of Company/ Proprietary concerns, HUF
1.	M/s. Blue - Onyx Lifestyle
2.	Dinesh Soni HUF
3.	Saremal Soni HUF
4.	Jitendra Soni HUF

For further details on our Promoter Group refer Chapter Titled “*Our Group Companies*” beginning on page 122 of Draft Prospectus.

## **OUR GROUP COMPANIES**

Our Directors of the Company are not involved in any other Company incorporated under the Companies Act, 1956 and 2013. As per the SEBI ICDR Regulations, 2018 for the purpose of identification of group companies, our Company has not entered into any related party transactions during the period for which the Restated Financial Information has been included in this Draft Prospectus, i.e., for the period ended on September 30, 2020 and Financial Year ended March 31, 2020, 2019 and 2018, as covered under the applicable accounting standards, by the Board Resolution dated January 22, 2021.

Based on the above, our Company does not have any group company as on the date of this Draft Prospectus.

## **DIVIDEND POLICY**

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act, 2013. The declaration of dividend, if any, will depend on a number of factors, including but not limited to the future expansion plans and capital requirements, profit earned during the financial year, capital requirements, and surpluses, contractual restrictions, liquidity and applicable taxes including dividend distribution tax payable by our Company and any other factors considered by our Board of Directors.

The Articles of Association also provides discretion to our Board to declare and pay interim dividends. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, please refer chapter titled “Business Overview- Financial Indebtedness” on page 79 of this Draft prospectus.

All dividend payments are made in cash to the Shareholders of our Company. Our Company has not adopted any Dividend Distribution Policy as on the date of this Draft Prospectus since the requirements under Regulation 43A of SEBI Listing Regulations are not applicable to the Company. However, depending upon the availability of distributable profits and fund flow, dividends maybe recommended by the Board of Directors.

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

## SECTION IV – FINANCIAL STATEMENT

### AUDITORS' REPORT ON STANDALONE RESTATED FINANCIAL INFORMATION

To  
The Board of Directors  
Ashapuri Gold Ornaments Limited  
109 to 112A, 1st Floor Supermall,  
Nr. LalBunglow,  
C.G.Road,  
Ahmedabad - 380009.

Dear Sirs,

**Subject: Financial Information of Ashapuri Gold Ornaments Limited**

We have examined, the attached Restated standalone Statement of Assets and Liabilities of Ashapuri Gold Ornaments Limited ('the Company') as at September 30,2020 , March 31, 2020, March 31,2019 and March 31.2018, the Restated Standalone Summary Statement of Profit and Loss and the Restated Standalone Summary Statement of Cash Flows for the years ended September 30,2020 , March 31, 2020, March 31,2019 and March 31, 2018 and annexed to this report (collectively, the "Restated Financial Information") as approved by the Board of Directors of the Company for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer (IPO) of equity shares prepared in terms of the requirements of:

- a. Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules");
  - b. the Securities And Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("SEBI-ICDR Regulations"); and
  - c. the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India as amended from time to time (the "Guidance Note").
1. The Restated Standalone summary statements of the Company have been extracted by the Management from the Audited Standalone financial statements of the Company for the years ended September 30,2020, March 31, 2020, March 31, 2019 and March 31, 2018. Our responsibility is to examine the Restated Standalone Financial Information and confirm whether such Restated Standalone Financial Information comply with the requirements of the Act, the Rules, SEBI-ICDR Regulations and the Guidance Note.
  2. We have examined these Restated Standalone Financial Information taking into consideration
    - a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated December 22,2020 in connection with the proposed IPO of the Company;
    - b. The Guidance Note on reports in Company prospectus (Revised) issued by the Institute of Chartered Accountants of India
  3. These Restated Standalone Financial Information have been compiled by the Management from the Standalone audited Financial Statements of the Company for the years ended September 30, 2020, March 31, 2020, March 31, 2019 and March 31, 2018 which have been approved by the Board of Directors of the Company. We, Bhagat & Co, Chartered Accountants, have been subject to peer review process of the Institute of Chartered Accountants of India ( ICAI) and hold a valid peer review

certificate issued by the “Peer review Board” of the ICAI. The Audit for Financial year March 31, 2018 was conducted by M/s Bharat .Shah & Co. Accordingly reliance has been placed on the financial information examined by them for the said years. The financial report included for March 31,2018 is based solely on the report submitted by them.

4. Based on our examination, we report that:
  - a. The Restated Standalone Summary Statement of Assets and Liabilities of the Company examined and reported as at September 30, 2020, March 31, 2020, March 31, 2019 and March 31, 2018 examined by us, as set out in Annexure-1 read with significant accounting policies and related notes to account in Annexure 4 are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in schedules to the related summary statements.
  - b. The Restated Standalone Summary Statement of Profit and Loss of the Company for the years ended September 30, 2020, March 31, 2020, March 31, 2019 and March 31, 2018 examined by us, as set out in Annexure-2 read with significant accounting policies and related notes to account in Annexure 4 are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in schedules to the related summary statements.
  - c. The Restated Standalone Summary Statement of Cash Flows of the Company for the years ended September 30, 2020, March 31, 2020, March 31, 2019 and March 31, 2018 examined by us, as set out in Annexure-3 read with significant accounting policies and related notes to account in Annexure 4 are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in schedules to the related summary statements.
  - d. Based on the above, according to the information and explanations given to us we are of opinion that the Restated Standalone Financial Information:
    - i. have been made after incorporating adjustments for changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
    - ii. have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
    - iii. Do not contain any extra-ordinary items that need to be disclosed separately.
    - iv. There were no qualifications in the Audit report issued by the Statutory Auditor of the Company for the years ended September 30,2020, March 31, 2020, March 31,2019 and March 31, 2018 which would require adjustments in this restated Financial statements of the Company.
5. We have also examined the following financial information as set out in the Annexure prepared by the management and approved by the Board of Directors relating to for the years ended September 30,2020 , March 31, 2020, March 31, 2019 and March 31, 2018.
  - i. Standalone Statement of significant accounting policies and notes to accounts as appearing in **Annexure 4**
  - ii. Standalone Statement of capital as appearing in **Annexure 5**
  - iii. Standalone Statement of Reserve and Surplus as appearing in **Annexure 6**
  - iv. Standalone Statement of Long term Borrowing as appearing in **Annexure 7**
  - v. Standalone Statement of Short term Borrowings as appearing in **Annexure 8**
  - vi. Standalone Statement of Trade payables as appearing in **Annexure 9**
  - vii. Standalone Statement of Other Current liabilities as appearing in **Annexure 10**
  - viii. Standalone Statement of Short term Provisions as appearing in **Annexure 11**
  - ix. Standalone Statement of Fixed Asset Schedule as appearing in **Annexure 12**

- x. Standalone Statement of Non-Current investment Schedule as appearing in **Annexure 13**
- xi. Standalone Statement of Differed Tax Assets Schedule as appearing in **Annexure 14**
- xii. Standalone Statement of Inventories as appearing in **Annexure 15**
- xiii. Standalone Statement of Trade receivables as appearing in **Annexure 16**
- xiv. Standalone Statement of Cash and Cash equivalents as appearing in **Annexure 17**
- xv. Standalone Statement of Short term Loans and Advances as appearing in **Annexure 18**
- xvi. Standalone Statement of Revenue from Operations as appearing in **Annexure 19**
- xvii. Standalone Statement of Other Income as appearing in **Annexure 20**
- xviii. Standalone Statement of Cost of Material Consumed as appearing in **Annexure 21**
- xix. Standalone Statement of Change in Inventories as appearing in **Annexure 22**
- xx. Standalone Statement of Employee Benefit Expenses as appearing in **Annexure 23**
- xxi. Standalone Statement of Financial Costs as appearing in **Annexure 24**
- xxii. Standalone Statement of Other expenses as appearing in **Annexure 25**
- xxiii. Restated Standalone Statement of Accounting & Other Ratios as appearing in **Annexure 26**
- xxiv. Restated Standalone Statement of Capitalization of the company as appearing in **Annexure 27**
- xxv. Restated Standalone Statement of Tax Shelter as appearing in **Annexure 28**
- xxvi. Restated Standalone Statement of Contingent Liabilities & Capital Commitments as appearing in **Annexure 29**
- xxvii. Restated Standalone statement of Related Parties as appearing **Annexure 30**

According to the information and explanations given to us in our opinion the Restated Standalone Financial Information and the above restated Standalone financial information contained in Annexure 1 to 30 accompanying this report read along with the Significant Accounting Policies and Notes as set out in Annexure 4 are prepared after making adjustments and regroupings as considered appropriate and have been prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013 read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, SEBI-ICDR Regulations and the Guidance Note.

- 6. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
- 7. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 8. Our report is intended solely for use of the Management for inclusion in the offer document to be filed with BSE Limited and Registrar of Companies, Ahmedabad in connection with the proposed IPO of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

**For, Bhagat & Co**  
**Chartered Accountants**  
**Firm Reg No : 127250W**

**Shankar Bhagat**  
**Partner**  
**Mem. No: 52725**  
**Place :Ahmedabad**  
**Date: January 18, 2021**  
**UDIN: 21052725AAAAAI3169**



**Annexure 1 - Restated standalone Summary Statement of Assets and Liabilities**

₹in Lakhs

	Particulars	30 <sup>th</sup> September, 2020	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March,2019	31 <sup>st</sup> March, 2018
<b>(1)</b>	<b>Equity &amp;Liabiities</b>				
	(a)Share Capital	2,129.30	2,129.30	2,129.30	10.00
	(b)Reserves & surplus	2,633.19	2,383.97	2,356.61	650.28
	<b>Sub Total.....(1)</b>	<b>4,762.49</b>	<b>4,513.27</b>	<b>4,485.91</b>	<b>660.28</b>
<b>(2)</b>	<b>Share Application Money.....(2)</b>				
<b>(3)</b>	<b>Non-Current Liabilities</b>				
	(a) Long term Borrowings	9.09	14.71	25.38	34.71
	(b) Long term Liabilities				
	(c) Deferred Tax Liabilities ( Net)				
	( d) Long term Provisions				
	<b>Sub Total.....(3)</b>	<b>9.09</b>	<b>14.71</b>	<b>25.38</b>	<b>34.71</b>
<b>(4)</b>	<b>Current Liabilities</b>				
	(a) Short Term Borrowings			-	447.45
	(b) Trade Payables				
	Outstanding due to Micro and Small Enterprises				
	Outstanding due to Creditors other then Micro and Small Enterprises	76.09	80.71	107.01	278.23
	(c) Other Current Liabilities	90.92	75.43	18.28	25.22
	(d) Short term provisions	167.05	167.98	26.16	8.11
	<b>Sub Total.....(4)</b>	<b>334.06</b>	<b>324.12</b>	<b>151.45</b>	<b>759.01</b>
	<b>TOTAL LIABILITIES.....(1+2+3+4)</b>	<b>5,105.64</b>	<b>4,852.10</b>	<b>4,662.74</b>	<b>1,454.00</b>
	<b>ASSETS</b>				
<b>(4)</b>	<b>Non-Current Assets</b>				
	(a) Fixed Assets				
	Property Plant and Equipment				
	Tangible Assets	365.71	308.91	269.33	63.84
	Capital work-in-progress				
	Intangible Assets	2.85	3.17	3.38	0.01
	(b) Non-Current Investments	316.41	306.39	148.00	
	(c ) Deferred Tax Assets	7.86	6.13	1.91	3.13
	(d ) Long term Loans and Advances	1.83	1.83	31.73	
	(e) Other non-Current Assets				
	<b>Sub Total.....( 4)</b>	<b>694.66</b>	<b>626.43</b>	<b>54.35</b>	<b>66.98</b>
<b>(5)</b>	<b>Current Assets</b>				
	(a) Current Investments				
	( b) Inventories	3,101.03	2,727.69	2,165.60	1,259.78
	( c) Trade Receivables	747.66	1,036.12	352.68	103.41
	(d) Cash and bank balances	340.81	254.75	643.41	3.85
	(e ) Short Term Loans and Advances	73.27	84.64	58.94	19.98

(f) Other Current Assets	148.21	122.47	987.76	
Sub Total.....( 5)	<b>4,410.98</b>	<b>4,225.67</b>	<b>4,208.39</b>	<b>1,387.02</b>
<b>TOTAL ASSETS.....(4+5)</b>	<b>5,105.64</b>	<b>4,852.10</b>	<b>4,662.74</b>	<b>1,454.00</b>

## Annexure 2 - Restated Standalone Summary Statement of Profits and Losses

(₹ in Lakhs)

Particulars	For the year ended			
	30 <sup>th</sup> September, 2020	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March,2019	31 <sup>st</sup> March, 2018
<b>Income from continuing operations</b>				
Revenue from operations				
Manufacturing Activity	2229.99	12058.22		
Trading Activity			8819.76	4692.92
<b>Total</b>	<b>2,229.99</b>	<b>12,058.22</b>	<b>8,819.76</b>	<b>4,692.92</b>
Other Income	1.17	7.68	0.46	
<b>Total Revenue</b>	<b>2,231.16</b>	<b>12,065.90</b>	<b>8,820.22</b>	<b>4,692.92</b>
<b>Expenses</b>				
Cost Of Material Consumed				
Purchase of Stock in Trade	1977.13	11673.47	9269.75	<b>4214.6</b>
Change in Inventories	(373.34)	(562.09)	(905.82)	253.78
Employee benefits expense	168.79	353.93	60.63	111.63
Finance Costs	0.94	2.23	42.47	44.05
Other expenses	98.58	496.05	289.62	49.81
Depreciation and amortization expenses	32.7	38.49	11.79	8.35
<b>Total Expenses</b>	<b>1,904.80</b>	<b>12,002.08</b>	<b>8,768.44</b>	<b>4,682.22</b>
<b>Restated profit before tax from continuing operations</b>	<b>326.36</b>	<b>63.82</b>	<b>51.78</b>	<b>10.70</b>
<b>Exceptional Item</b>				
<b>Tax expense/(income)</b>				
Current tax	83.87	20.68	12.40	1.98
Deferred tax charge/(credit)	(1.73)	(4.22)	1.22	1.42
<b>Total tax expense</b>	<b>82.14</b>	<b>16.46</b>	<b>13.62</b>	<b>3.40</b>
<b>Restated profit after tax from continuing operations (A)</b>	<b>244.22</b>	<b>47.36</b>	<b>38.16</b>	<b>7.30</b>

## Annexure 3 - Restated Standalone Summary Statement of Cash Flows

(₹ In Lakhs)

Particulars	30 <sup>th</sup> September, 2020	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March,2019	31 <sup>st</sup> March, 2018
Net profit before taxation from continuing operations (as restated)	326.36	63.82	51.78	10.70
<b>A. Non cash adjustments to reconcile profit before tax to net cash flows</b>				
Depreciation and amortisation expense	32.70	38.49	11.79	8.35
Interest income		(7.32)		
Dividend Income				
Expenses debited to Reserve and Surplus		(20.00)		
Interest expense	0.94	2.23	42.47	44.05
Loss on sale of Assets		0.24		
<b>Operating profit before working capital changes (as restated)</b>	<b>360.00</b>	<b>77.46</b>	<b>106.04</b>	<b>63.10</b>
<b>Movement in Working Capital</b>				
(Increase)/decrease in Inventories	(373.34)	(562.09)	(905.82)	253.78
(Increase)/decrease in trade receivables	288.46	(683.44)	(249.27)	(89.16)
(Increase)/decrease in loans and advances	11.37	(25.70)	(38.96)	(11.56)
(Increase)/decrease in LT loans and advances	-	29.90	(31.73)	
(Increase)/decrease in Other Current Assets	(25.74)	865.29	(987.76)	-
(Increase)/decrease in non current Investments	(10.02)	(158.39)	(148.00)	
Increase/(decrease) in trade payables	(4.62)	(26.30)	(171.22)	(34.69)
Increase/(decrease) in Other Current Liabilities	15.49	57.15	(6.94)	13.59
Increase/(decrease) in Short term provisions	(64.32)	133.74	7.68	4.68
Increase/(decrease) in Long Term provisions				
<b>Cash flow from operations</b>	<b>197.28</b>	<b>(292.38)</b>	<b>(2,425.98)</b>	<b>199.74</b>
Direct taxes paid (including fringe benefit taxes paid) (net of refunds)	(20.47)	(12.61)	(2.05)	(1.77)
Dividend and Dividend Distribution Tax				
<b>Net cash generated from operating activities (A)</b>	<b>176.81</b>	<b>(304.99)</b>	<b>(2,428.03)</b>	<b>197.97</b>
<b>B. CASH FLOW USED IN INVESTING ACTIVITIES</b>				
Purchase of fixed assets, including intangible assets, capital work in progress and capital advances	(89.19)	(84.50)	(220.63)	(61.96)
Sale of Assets		6.41		0.76
(Purchase)/Sale of investments				
Interest received		7.32		
Dividend Income				
<b>Net cash used in investing activities (B)</b>	<b>(89.19)</b>	<b>(70.77)</b>	<b>(220.63)</b>	<b>(61.20)</b>
<b>C. CASH FLOW FROM /(USED IN) FINANCING ACTIVITIES</b>				
Proceeds from Long term Borrowings	(5.62)	(10.67)	(9.33)	34.71
Proceeds from Short term Borrowings	-	-	(447.45)	(129.68)

Proceeds from issue of Share Capital and Reserve and Surplus	5.00		3,787.47	
Share Capital & Share Application Money				-
Dividend and Dividend Distribution Tax				
Interest paid	(0.94)	(2.23)	(42.47)	(44.05)
<b>Net cash generated from/(used in) financing activities (C)</b>	<b>(1.56)</b>	<b>(12.90)</b>	<b>3,288.22</b>	<b>(139.02)</b>
<b>Net increase/(decrease) in cash and cash equivalents ( A + B + C )</b>	<b>86.06</b>	<b>(388.66)</b>	<b>639.56</b>	<b>(2.25)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>254.75</b>	<b>643.41</b>	<b>3.85</b>	<b>6.10</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>340.81</b>	<b>254.75</b>	<b>643.41</b>	<b>3.85</b>

**I. DISCLOSURE OF SIGNIFICANT ACCOUNTING POLICIES: -****1. ACCOUNTING CONVENTION :-**

The accounts are prepared on historical cost basis and based on accrual method of Accounting and applicable Accounting Standards notified under section 133 of the Companies (Accounting Standards) Rules, 2014 (as amended) and relevant provision of the Companies Act, 2013. The Company is a public Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on recognized stock exchange BSE in India.

During the year quarter the Schedule- III notified under the companies Act, 2013, has become applicable to the company, for preparation of its financial statements. The adoption of Schedule-III does not impact recognition and measurement principles followed for preparation of financial statements.

The company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

**2. USE OF ESTIMATION :-**

The preparation of financial statement in conformity with GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

**3. FIXED ASSETS :-**

Fixed Assets are stated at cost, net of taxes and duties subsequently recoverable from government authorities less accumulated depreciation and impairment loss, if any. In previous financial year company has not reduced any taxes and duties recoverable from government, the said taxes and duties are adjusted in current year.

All costs attributable to bringing the asset to its working condition for its intended use, including financing costs till commencement of commercial production and charges on foreign exchange contracts and adjustments arising out of exchange rate variations attributable to the fixed assets are capitalized.

**4. DEPRECIATION :-**

Pursuant to the enactment of the Companies Act 2013, the Company has applied the estimated useful lives as specified in schedule-II. Accordingly the unamortized carrying value is being depreciated over the revised/remaining useful lives.

Depreciation on fixed assets is provided on **Written Down Value** at the rate prescribed in Schedule II to the Companies Act, 2013 except on Mercedes Car which has been calculated on SLM basis in books of accounts.

**5. INTANGIBLE ASSETS :-**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Cost incurred on internally generated intangible assets is not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

## **6. BORROWING COSTS :-**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## **7. INVENTORIES :-**

Inventories of Raw material, Finished goods and Stock-in-trade are valued at the lower of weighted average cost and net realizable value.

**Raw materials:** Cost includes weighted cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

**Finished goods and work in progress:** Cost includes weighted cost of direct materials and labour.

**Traded goods:** Cost includes weighted cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

The weighted average cost of the goods is as certified by the management.

## **8. CURRENT VERSUS NON-CURRENT CLASSIFICATION :-**

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is: - Expected to be realized or intended to be sold or consumed in normal operating cycle; or - Held primarily for the purpose of trading; or - Expected to be realized within twelve months after the reporting period; or - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period All other assets are classified as non-current.

A liability is current when: - It is expected to be settled in normal operating cycle; or - It is held primarily for the purpose of trading; or - It is due to be settled within twelve months after the reporting period; or -

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively. The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

#### **9. REVENUE RECOGNITION :-**

The Accounting Principles and policies, recognized as appropriate for measurement and reporting of the financial performance and the financial position on Accrual Basis except otherwise disclosed using historical cost. The statement on Significant Accounting policy excludes disclosures regarding Accounting Standards in respect of which there are no material transactions during year.

#### **10. EMPLOYEE BENEFITS: -**

Employee benefits are provided in the books as per AS-15. As certified by the management, the Company is discharging its liability towards Employee Stock Insurance Scheme and there is no liability towards Provident Fund and Super Annuation fund Act as the said acts do not apply to the company. Further it is informed to us that no employee has put the eligible period of service, hence no provision is required to be made as per the Gratuity Act, 1972. The Company provides for the encashment of leave or leave with pay subject to certain rules.

The employees are entitled to accumulate leave for availment as well as encashment subject to the rules. As per the regular past practice followed by the employees, the company does not create provisions for leave encashment it will be recognize on actual payment basis.

#### **11. IMPAIRMENT**

The Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price or value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

#### **12. INVESTMENTS**

Trade investments are the investments made to enhance the Company's business interests. Investments are either classified as current or long-term based on Management's intention. Current investments are carried at the lower of cost and fair value of each investment individually. Cost for overseas investments comprises the Indian Rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment. Long term investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment. Investment reflects the amount invested in the firm wherein the company is a partner.

#### **13. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise cash and cash on deposit with banks and financial institutions. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

#### **14. CASH FLOW STATEMENT**

**Cash flows are reported using** the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

#### **15. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:-**

Contingent liabilities are not provided but are disclosed after a careful evaluation of facts and legal aspects of the matter involved. In general, liabilities and contingencies are provided for it. If, in the opinion and at the discretion of the management, there are reasonable prospects of such liabilities crystallizing or future outcome of such contingencies is likely to be materially detrimental to business accounts.

#### **16. ACCEPTANCE OF DEPOSITS :-**

During the year under the audit, the company has not accepted deposits from public as covered U/s 73 of the Companies Act, 2013.

#### **17. TAXATION :-**

The Company has incurred Net Profit Before tax is of Rs. 32636352/- in the quarter ended 30<sup>th</sup> September, 2020 and the Provision for Income Tax is Rs. 8386920/-

#### **18. APPLICABILITY OF AS-22 :-**

To comply with the requirements of the Accounting Standard 22 (AS-22) "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the company has Deferred Tax Assets in its Books of accounts amounting to Rs. 173000/- in books. The said asset has arisen on account of the difference in the Depreciation under the Companies Act, 2013 and the same allowable under the Income Tax Act, 1961.

#### ***NOTES ON ACCOUNTS: -***

##### **A. Significant Accounting Policies :-**

1. The company follows the Mercantile System of Accounting.

##### **B. Notes on Accounts :-**

1. The figures in the Profit & Loss A/c and Balance Sheet have been rounded off to the complete Rupee.
2. Previous year figure are regrouped or rearranged where ever it was necessary to make them with that of current year.
3. Sundry Debtors, Sundry Creditors, Secured Loan, Stock are subject to Confirmation from the parties.
4. In the opinion of the management, Sundry Current assets and Advances are expected to be realized at the value shown in the Balance sheet of the Company as on 30.09.2020.



5. These financial statements are responsibility of the management of the company and our responsibility is to express our opinion on this financial statement based on our audit. The Presentation of financial statements requires estimates and assumptions to be made that affect the reported amount. Differences between the actual and estimated results are recognized in the period in which the results are known determined.
6. Revenue Expenses where otherwise not verifiable have been verified on the basis of self authenticated vouchers.
7. The Directors have certified that all expenses are incurred exclusively for the purpose of business and no personal expenditure of any sort has been debited to the Profit & Loss A/c.
8. Closing balance of GST receivable is subject to reconciliation with GST return.
9. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts & disclosures as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion in the financial statements. An audit also includes assessing the accounting principles used & significant estimates made by management.
10. Previous year figure are regrouped or rearranged where ever it was necessary to make them with that of current year.
11. The figures in the Profit & Loss A/c and Balance Sheet have been rounded off to the complete Rupee.
12. **C.I.F. Value of Imports :- Not Applicable**
13. **Expenditure in Foreign Currency: Nil**
14. The Company does not have any of the vendors under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at year end together with interest paid/payable under this Act has not been given. The same has been certified by the management.
15. The Reconciliation of the Balance Sheet and profit and Loss Account

#### Balance Sheet

( ₹ In Lakhs)

Particulars	30th September, 2020	31st March, 2020
<b>Assets Side</b>		
Noncurrent Investment	300.69	290.67
Add : Loss of Associate Concern	15.72	15.72
	316.41	306.39
<b>Liability Side</b>		
Reserve and Surplus	2383.97	2368.25
Add : Loss of Associate Concern		15.72
Add : profit for the six months	244.22	
Add : Subsidy	5.00	
Total	2633.19	2383.97
<b>Profit and Loss Account</b>		
<b>Particulars</b>	<b>30th September, 2020</b>	<b>31st March, 2020</b>
<b>Cost Of Material Consumed</b>		
As per Balance Sheet		11739.62
Less Theft Stock Shown as Closing Stock		66.15
<b>Cost Of Material Consumed</b>		<b>11673.47</b>

<b>Change In Inventory</b>		
<b>Opening Stock</b>		
Finished Goods trading		2165.59
Total		2165.59
<b>Closing Stock</b>		
Finished Goods Manufacturing		2643.94
Finished Goods Trading		83.74
Total		<b>2727.68</b>
Change In Inventory		(562.09)

16. The Company is partner in Partnership Firm M/S Blue - Onyx Life Style having 80% share in profit. As per Accounting Standard As-23 the accounts of the Associate Firm/Company is required to be consolidated. However as per the clause 11 of Partnership deed, the Company is entitled to share only profit and in case of loss the Company is not required to bear the share of loss. In case of loss, the remaining two partners have to share the loss equally. On account of that clause, though the Company had an associate concern the consolidated accounts are not prepared as there is nothing to be consolidated as per the terms of the partnership deed.

**Annexure: 5**

( ₹ In Lakhs)

<b>PARTICULARS</b>	<b>As at 30.09.2020</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
<b>SHARE CAPITAL</b>				
<b>AUTHORISED</b>	2500.00	2150.00	2150.00	10.00
EQUITY SHARES OF RS 10 EACH	10	10	10	10.00
<b>ISSUED SUBSCRIBED &amp; FULLY PAID UP</b>	2129.30	2129.30	2129.30	10.00
EQUITY SHARES OF RS.10/- EACH	10	10	10	10.00
<b>RECONCILIATION OF THE NUMBER OF SHARES AT THE BEGINNING &amp; END OF THE REPORTING PERIOD :</b>				
<b>AUTHORISED SHARES</b>	<b>Equity shares</b>	<b>Equity shares</b>	<b>Equity shares</b>	<b>Equity shares</b>
PREVIOUS YEAR	21293000	1,00,000	1,00,000	1,00,000
INCREASED BY/ DECREASED BY		2,11,93,000		
CURRENT YEAR				
	21293000	21293000	1,00,000	1,00,000
<b>ISSUED, SUBSCRIBED AND FULLY PAID</b>				
NUMBER OF SHARES AT THE BEGINNING	21293000	21293000	1,00,000	1,00,000
<b>ADD /LESS : EQUITY SHARES ISSUED DURING THE YEAR</b>				
<b>NUMBER OF SHARES AT THE END</b>				
	21293000	21293000	1,00,000	1,00,000
<b>SHARES HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES, SPECIFYING THE NUMBER OF SHARES HELD :</b>				
<b>Name of Shareholder</b>	<b>No of shares and</b>	<b>No of shares and</b>	<b>No of shares and</b>	<b>No of shares and</b>

	%	%	%	%
SaremalC.Soni	3220800(15.13%)	3220800(15.13%)	23980(23.98%)	23980(23.98%)
Dinesh S. Soni	2315940(10.88%)	2315940(10.88%)	22780(22.78%)	22780(22.78%)
Jitendra S. Soni	2211330(10.39%)	2211330(10.39%)	22780(22.78%)	22780(22.78%)
Narmadaben S. Soni	2188230(10.28%)	2188230(10.28%)	12000(12.00%)	12000(12.00%)
NSI Infinium Global Private Ltd	1860000(8.74%)	1860000(8.74%)	0	0
KiranbenD.Soni	1422300(6.68%)	1422300(6.68%)	9200(9.2%)	9200(9.2%)
Dinesh S. Soni( H.U.F.)	1281060(6.02%)	1281060(6.02%)	0	0
SaremalC.Soni (H.U.F.)	1181070(5.55%)	1181070(5.55%)	0	0
Alkaben J Soni	1139490(5.35%)	1139490(5.35%)	9200(9.2%)	9200(9.2%)
Notes :				
The Company has only one class of Share capital i.e Equity Shares having Face value of Rs10/- per share. Each Holder of Equity Shares is entitled to one vote per Share. The Company declares and Pays dividend in INR only.				
In the event of Liquidation of the Company, the holder of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders.				
The share holder have all rights as available to the Equity Shareholders as per the Provision of the Companies Act 2013 and 1956 read together with the MOA and AOA of the Company, as applicable.				

## RESTATED NOTES FORMING PART OF BALANCE SHEET

### Annexure : 6

( ₹ In Lakhs)

<b>RESERVE &amp; SURPLUS</b>	<b>As at 30.09.2020</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
<b>Share Premium Account</b>				
Opening Balance	2,298.45	2,318.45	7.25	7.25
Add : during the year			3238.25	
Less : Bonus Issued during the year			887.72	
Less; Expenses of IPO		20.00	39.33	
Closing Balance	<b>2,298.45</b>	<b>2,298.45</b>	<b>2,318.45</b>	<b>7.25</b>
<b>Subsidy of SME issue</b>				
<b>Received during the year</b>	5.00			
<b>Closing balance</b>	<b>5.00</b>			
<b>Profit and Loss account</b>				
Opening Balance	85.52	38.16	643.03	635.73
Add : Profit During the year	244.22	47.36	38.16	7.30
Less : Bonus During the Year			643.03	
Closing Balance	<b>329.74</b>	<b>85.52</b>	<b>38.16</b>	<b>643.03</b>
<b>TOTAL</b>	<b>2,633.19</b>	<b>2,383.97</b>	<b>2,356.61</b>	<b>650.28</b>

### Annexure : 7

( ₹ In Lakhs)

<b>LONG TERM BORROWINGS</b>	<b>As at 30.09.2020</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Kotak Mahindra prime Limited- Vehicle laon	9.09	14.71	25.38	34.71
<b>Total</b>	<b>9.09</b>	<b>14.71</b>	<b>25.38</b>	<b>34.71</b>

**Terms and Conditions of the Loan**

Repayment : 60 Monthly installment

Security : Mercedes Car

**Annexure: 8**

( ₹ In Lakhs)

<b>SHORT TERM BORROWINGS</b>	<b>As at 30.09.2020</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
LOAN FROM BANKS:	-	-	-	-
IDBI Bank Limited	0	0	0	145.99
Unsecured Loans From related Parties	0	0	0	301.46
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>447.45</b>

**Annexure: 9**

( ₹ In Lakhs)

<b>TRADE PAYABLES</b>	<b>As at 30.09.2020</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Outstanding due to Micro and Small Enterprises	-	-	-	-
Outstanding due to Creditors other than Micro and Small Enterprises				
Creditors for Goods	0.07	36.72	87.16	277.62
Creditors for Capital Goods	42.06	-	1.53	-
Creditors for Expenses	33.96	43.99	18.32	0.61
<b>Total</b>	<b>76.09</b>	<b>80.71</b>	<b>107.01</b>	<b>278.23</b>

**Annexure : 10**

( ₹ In Lakhs)

<b>OTHER CURRENT LIABILITIES</b>	<b>As at 30.09.2020</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Current Maturities of Long term Debt	10.84	10.42	9.63	9.49
Statutory Dues	2.28	29.01	6.27	4.22
Advance From Customers	77.8	36.00	2.15	11.22
Other Liabilities		0	0.23	0.29
<b>Total</b>	<b>90.92</b>	<b>75.43</b>	<b>18.28</b>	<b>25.22</b>

**Annexure : 11**

( ₹ In Lakhs)

<b>SHORT TERM PROVISIONS</b>	<b>As at 30.09.2020</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
<b>OTHERS ( specify nature)</b>				
Provision for Employee Benefits	80.68	144.67	8.72	1.06
Provision for Income Tax	83.87	20.49	12.41	2.04
Others	2.5	2.82	5.03	5.01
<b>Total</b>	<b>167.05</b>	<b>167.98</b>	<b>26.16</b>	<b>8.11</b>

**Annexure : 12**

( ₹ In Lakhs)

<b>RESTATED STANDALONE FIXED ASSETS SCHEDULE</b>	<b>As at 30.09.2020</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
<b>Building</b>				

Opening Balance	36.50	<b>36.50</b>		-
Add : Addition During the Year			36.50	
Less : Deduction During the Year				
Gross Block	36.50	36.50	36.50	
Less : Depreciation	3.82	3.00	1.29	
<b>Closing balance</b>	<b>32.68</b>	<b>33.50</b>	<b>35.21</b>	
<b>Factory Building</b>				
Opening Balance	182.66	173.62		
Add : Addition During the Year		9.04	173.62	
Less : Deduction During the Year			0	
Gross Block		182.66	173.62	
Less : Depreciation	25.2	17.34	0.14	
<b>Closing balance</b>	<b>157.46</b>	<b>165.32</b>	<b>173.48</b>	
<b>Computer and Data processing Units</b>				
Opening Balance	4.55	3.04	2.83	2.83
Add : Addition During the Year	0.74	1.51	0.21	0
Less : Deduction During the Year				
Gross Block	5.29	4.55	3.04	2.83
Less : Depreciation	4.11	3.28	2.72	2.68
<b>Closing balance</b>	<b>1.18</b>	<b>1.27</b>	<b>0.32</b>	<b>0.15</b>
<b>Furniture and Fixtures</b>				
Opening Balance	33.82	4.88	3.66	3.66
Add : Addition During the Year	0.55	33.47	1.22	0
Less : Deduction During the Year	0	4.53		0
Gross Block	34.37	33.82	4.88	3.66
Less : Depreciation	11.77	8.41	3.31	3.16
<b>Closing balance</b>	<b>22.6</b>	<b>25.41</b>	<b>1.57</b>	<b>0.5</b>
<b>Vehicles</b>				
Opening Balance	95.8	95.68	95.68	39.07
Add : Addition During the Year	77.15	0.12		61.83
Less : Deduction During the Year				5.23
Gross Block	172.95	95.8	95.68	95.67
Less : Depreciation	65.9	50.96	42.45	33.46
<b>Closing balance</b>	<b>107.05</b>	<b>44.84</b>	<b>53.23</b>	<b>62.21</b>
<b>Office Equipment</b>				
Opening Balance	17.09	9.64	7.15	7.02
Add : Addition During the Year	1.82	7.79	2.49	0.13
Less : Deduction During the Year		0.34		
Gross Block	18.91	17.09	9.64	7.15
Less : Depreciation	12.14	10.16	6.82	6.48
<b>Closing balance</b>	<b>6.77</b>	<b>6.93</b>	<b>2.82</b>	<b>0.67</b>
<b>Plant and Machinery</b>				
Opening Balance	38.84	8.64	6.23	6.23
Add : Addition During the Year	8.92	32.1	2.41	

Less : Deduction During the Year		1.9		
Gross Block	47.76	38.84	8.64	6.23
Less : Depreciation	9.79	7.2	5.94	5.92
<b>Closing balance</b>	<b>37.97</b>	<b>31.64</b>	<b>2.7</b>	<b>0.31</b>
<b>TOTAL</b>				
Opening Balance	409.26	332.00	115.55	58.81
Add : Addition During the Year	89.18	84.03	216.45	61.96
Less : Deduction During the Year	-	11.32	-	5.23
Gross Block		409.26	332.00	115.54
Less : Depreciation	132.73	100.35	62.67	51.70
<b>Closing Balance</b>	<b>365.71</b>	<b>308.91</b>	<b>269.33</b>	<b>63.84</b>
<b>Intangible Assets</b>				
<b>Software and Android Apps</b>				
Opening Balance	5.01	4.53	0.33	0.33
Add : Addition During the Year		0.48	4.20	0
Less : Deduction During the Year		0		
Gross Block	5.01	5.01	4.53	0.33
Less : Depreciation	2.16	1.84	1.15	0.32
<b>Closing Balance</b>	<b>2.85</b>	<b>3.17</b>	<b>3.38</b>	<b>0.01</b>

**Annexure : 13**

( ₹ In Lakhs)

<b>NON CURRENT INVESTMENTS</b>	<b>As at 30.09.2020</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Investment in Partnership Firm- Blue Onyx	316.41	306.39	148.00	-
<b>Total</b>	<b>316.41</b>	<b>306.39</b>	<b>148.00</b>	<b>-</b>

**Annexure: 14**

( ₹ In Lakhs)

<b>DIFERRED TAX ASSETS</b>	<b>As at 30.09.2020</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Timing Differecne due to Depreciation	7.86	6.13	1.91	3.13
<b>Total</b>	<b>7.86</b>	<b>6.13</b>	<b>1.91</b>	<b>3.13</b>

**Annexure: 15**

( ₹ In Lakhs)

<b>INVENTORIES</b>	<b>As at 30.09.2020</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Finished Goods	3101.03	2,727.69	2,165.60	1,259.78
<b>Total</b>	<b>3,101.03</b>	<b>2,727.69</b>	<b>2,165.60</b>	<b>1,259.78</b>

**Annexure : 16**

( ₹ In Lakhs)

<b>TRADE RECEIVABLES</b>	<b>As at 30.09.2020</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Debt Outstanding for more than 6 Months	69.9	29.86		
Others	677.76	1006.26	352.68	103.41
<b>Total</b>	<b>747.66</b>	<b>1,036.12</b>	<b>352.68</b>	<b>103.41</b>

Amount due from Directors/Group Companies/Promoters	Nil	Nil	Nil	Nil
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**Annexure : 17**

( ₹ In Lakhs)

<b>CASH AND CASH EQUIVALENTS</b>	<b>As at 30.09.2020</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Cash On Hand	10.63	1.15	1.02	0.12
<b>Balances With Schedule Bank:</b>				
In current Account	330.18	253.6	192.39	3.73
Fixed Deposits			450.00	
<b>Total</b>	<b>340.81</b>	<b>254.75</b>	<b>643.41</b>	<b>3.85</b>

**Annexure: 18**

( ₹ In Lakhs)

<b>SHORT TERM LOANS AND ADVANCES</b>	<b>As at 30.09.2020</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Advance Income tax and TDS				5.01
Balance With GST	71.82	80.76	57.37	11.12
Prepaid Expenses				1.56
Other Advances	1.45	3.88	1.57	2.29
<b>Total</b>	<b>73.27</b>	<b>84.64</b>	<b>58.94</b>	<b>19.98</b>
Amounts due from Directors / Promoters / Promoter/ Group Companies / Relatives of Promoters / Relatives of Directors / Subsidiary Companies	Nil	Nil	Nil	Nil

**Annexure : 19**

( ₹ In Lakhs)

<b>REVENUE FROM OPERATIONS</b>	<b>As at 30.09.2020</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Trade of Goods	2229.99	12030.47	8720.06	4645.95
Job work Income		25.83	99.65	46.97
Interest Income under MSME Act		1.91	0.05	
<b>Total</b>	<b>2229.99</b>	<b>12058.21</b>	<b>8819.76</b>	<b>4692.92</b>

**Annexure : 20**

( ₹ In Lakhs)

<b>OTHER INCOME</b>	<b>As at 30.09.2020</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Interest on Fixed Deposit		7.33		-
Interest Income	0.84	0.04	0.45	-
Misc. Income	0.33	0.31	0.01	-
<b>Total</b>	<b>1.17</b>	<b>7.68</b>	<b>0.46</b>	<b>0</b>

**Annexure: 21**

( ₹ In Lakhs)

<b>COST OF MATERAIL CONSUMED</b>	<b>As at 30.09.2020</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Purchase of Goods	1977.13	11739.78	9486.91	4214.6
Less : Theft goods		66.15		

Less : Purchase Return	0	0.16	-217.16	0
<b>Total</b>	<b>1977.13</b>	<b>11673.47</b>	<b>9269.75</b>	<b>4214.6</b>

**Annexure: 22**

( ₹ In Lakhs)

<b>CHANGE IN INVENTORY</b>	<b>As at 30.09.2020</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
<b>Opening Stock</b>				
Finished Goods	2727.69	2165.6	1259.78	1513.56
<b>Closing Stock</b>				
Finished Goods	3101.03	2,727.69	2165.6	1259.78
<b>Change in Inventory</b>	<b>(373.34)</b>	<b>(562.09)</b>	<b>(905.82)</b>	<b>253.78</b>

**Annexure: 23**

( ₹ In Lakhs)

<b>EMPLOYEE BENEFIT EXPENSES</b>	<b>As at 30.09.2020</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Directors Remuneration	37.57	148	36	
Salary and Wages	21.67	36.8	24.02	35.76
Wages and Labor Charges	108.27	161.52	0.17	75.54
Staff Welfare Expenses	1.28	7.61	0.44	0.33
<b>Total</b>	<b>168.79</b>	<b>353.93</b>	<b>60.63</b>	<b>111.63</b>

**Annexure : 24**

( ₹ In Lakhs)

<b>FINANCIAL COSTS</b>	<b>As at 30.09.2020</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
<b>INTEREST EXPENSE</b>				
Interest on Working capital Loan			6.77	13.64
Interest on others			30.31	30.11
Bank Charges				0.14
Interest Paid To NBFC	0.94	2.23	3.14	
Loan processing Fees			2.25	0.16
<b>Total</b>	<b>0.94</b>	<b>2.23</b>	<b>42.47</b>	<b>44.05</b>

**Annexure : 25**

( ₹ In Lakhs)

<b>OTHER EXPENSES</b>	<b>As at 30.09.2020</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Audit fees		1.5		0.49
Internet Expenses	0.89	0.52	0.92	
Bank Commission and Charges		0.04	0.14	
Conveyance and petrol Expenses	0.32	1.26	1.27	
Communication Expenses	0.23	2.76	0.74	0.86
Commission Expenses		0.02		
Contribution of ESI	0.09	0.19		
Donation	1.1	0.91		
Insurance Expenses	1.71	2.63	2.69	2.26
Interest on TDS	0.13	0.1	0.02	



Rates and Taxes	1.55	2.29	1.43	1.16
Miscellaneous Expenses	0.06	0.45	0.46	2.20
Membership fees		0.06		
Shop Maintenance Expenses		2.55	0.65	
Security Charges	1	1.37		
Shop Rent	25.15	46.11	26.51	25.08
Office Expenses	2.6	3.88	2.4	
Printing and Stationery	0.24	1.19	0.58	
Travelling and Conveyance Expenses	0.29	12.01	9.2	2.75
Late fees on GST		0.02		
Loss for Fidelity	16.33			
Loss on sale of Machinery		0.24		
Loss on Sale of car				0.02
Locker rent		0.05		
Legal and professional Fees	1.19	13.15	4.99	0.40
Valuation Expenses			0.15	
Repairs and maintenance	3.21	4.54	2.52	0.20
Vehicle Expenses				0.72
Income Tax and Interest on Income tax	0.02			0.01
<b>Manufacturing Expenses</b>				
Power and Fuel	2.26	4.22	1.86	1.75
Consumable Stores and Spares		1.71	0.04	
Job charges	38.05	331.78	205.27	
Wages and Labor Charges				
Ornament Repairing Charges				
<b>Selling and Distribution Expenses</b>				
Advertisement and Sales Promotion Expenses		0.13	0.07	
Commission Expenses			10.4	
Market making fees		3		
Packing Charges	0.24	3.71	0.56	0.22
Hall Marking Charges		0.06	0.08	
Jadatar Expenses		13.14	0.48	
Transportation		20.8	3.08	
Rate Difference		0.96		
Ornament Support Expenses				
Selling and Distribution Expenses and Exhibition expenses	1.92	18.7	13.11	11.69
<b>Total</b>	<b>98.58</b>	<b>496.05</b>	<b>289.62</b>	<b>49.81</b>

**Annexure : 26**

( ₹ In Lakhs)

RESTATED STATEMENT OF RATIOS	STANDALONE ACCOUNTING	As at		As at	
		As at 30.09.2020	As at 31.03.2020	As at 31.03.2019	As at 31.03.2018
Basic & diluted earnings per share (₹)		1.15	0.22	0.32	7.30

Return on Net Worth ( in Percentage)	5.13	1.05	0.85	1.11
Net Asset Value per equity share (₹)	22.37	21.20	21.07	660.28
Net Profit after tax as restated attributable to equity shareholders (₹Lakhs)	244.22	47.36	38.16	7.3
Net Worth at the end of the year ( ₹ In Lakhs)	4,762.49	4,513.27	4,485.91	660.28
weighted Average no of shares at the end of the year	21,293,000.00	21,293,000.00	12,036,144.00	100,000.00
Total number of equity shares outstanding at the end of the year	21,293,000.00	21,293,000.00	21,293,000.00	100,000.00
Notes:-				
1. The EPS and Return on Net worth are negligible as the funds brought in by the Company after March 31,2018 has not been used for earning of the Company				
2. EPS Calculation has been done as per Accounting Standard-20, "Earnings per Share" issued by The Institute of Chartered Accountants of India.				

**Annexure : 27**

( ₹ In Lakhs)

RESTATED STANDALONE CAPITALISATION STATEMENT	pre issue as on	Pre Issue as on 31.03.2020	Post Issue
	As on 30.09.2020		
<b>Debt</b>			
Long Term Debt	9.09	14.71	9.09
Short Term Debt	0.00	0.00	0.00
<b>Total Debts (A)</b>	<b>9.09</b>	<b>14.71</b>	<b>9.09</b>
<b>Equity (shareholders' funds)</b>			0.00
Equity share capital	2129.30	2129.30	2499.86
Reserve and surplus	2633.19	2383.97	5264.17
<b>Total Equity (B)</b>	<b>4762.49</b>	<b>4513.27</b>	<b>7764.03</b>
<b>Long Term Debt / Equity Shareholders' funds</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Debt / Equity Shareholders' funds</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**Annexure : 28**

( ₹ In Lakhs)

RESTATED STANDALONE TAX SHELTER STATEMENT	As at 30.09.2020	As at 31.03.2020	As at 31.03.2019	As at 31.03.2018
<b>Restated Profit Before Tax (A)</b>	<b>326.36</b>	<b>63.82</b>	<b>51.78</b>	<b>10.70</b>
<b>Permanent Difference(B)</b>				
Interest on TDS		0.11	0.02	0.01
ESIC		0.01		
Loss on Machinery /Car		0.23		0.02
Donation		0.91		0.01
<b>Total</b>		<b>1.26</b>	<b>0.02</b>	<b>0.01</b>
<b>Timing Difference(C)</b>				
Depreciation Difference	6.88	16.76	-4.11	-4.77
<b>Deduction Under Chapter Vi (D)</b>				
<b>Taxable income under Normal provision</b>				
<b>(E=A+B+C-D)</b>	<b>333.24</b>	<b>81.84</b>	<b>47.69</b>	<b>5.94</b>

Tax rate Under Normal provision % ( F)	25.17%	25.17%	26.00%	30.90%
<b>Income Tax as per normal provision(G=E*F)</b>	83.88	20.60	12.40	1.84
Tax rate Under MAT provisions	15.60%	15.60%	19.24%	19.05%
<b>Income Tax as per MAT Provisions</b>	50.91	9.96	9.96	2.04
<b>Tax Payable Higher of Normal Tax or MAT provisions</b>	83.88	20.60	12.40	2.04

**Annexure : 29**

( ₹ In Lakhs)

<b>RESTATED STANDALONE STATEMENT OF CONTINGENT LIABILITIES</b>	<b>As at</b>			
	<b>As at 30.09.2020</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
Contingent Liabilities	Nil	Nil	Nil	Nil
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Annexure:30 RESTATED STANDALONE STATEMENT OF RELATED PARTY TRANSACTIONS**

( ₹ In Lakhs)

<b>List of Relatives</b>
<b>(A) Director</b>
Mr. Dinesh Soni
Mr. Saremal Soni
Mr. Jitendra Soni
<b>(C) Relatives</b>
Dinesh Soni (H.U.F.)
Jitendra Soni (H.U.F.)
Saremal Soni (H.U.F.)
Ms. Alkaben Soni
Ms. Kiran Soni
Mrs. Narmadaben Soni
Ms. Herina Soni
Mr. Jenik Soni
<b>Associate Concern</b>
Astha jewels

<b>Nature of Transaction / Name of Related Party</b>	<b>30-Sep</b>	<b>During the year ended March 31,</b>			
		<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Directors Remuneration</b>					
Mr. Dinesh Soni	Director	15.56	54.22	12	8
Mr. Saremal C. Soni	Director	7.5	41.5	12	6
Mr. Jitendra S. Soni	Director	14.51	52	12	8
<b>Rent Payment</b>					
Mr. Saremal C. Soni	Director	4.17	8.33	5.08	5.08
Jitendra S. Soni (H.U.F.)	Relative of Director	3.72	6.98	4.36	4.36

Mrs. Alka J.Soni	Relative of Director	3.34	5.84	3.63	3.63
Mrs.Kiran D.Soni	Relative of Director	3.34	5.84	3.63	3.63
Mrs.Narmadaben S.Soni	Relative of Director	7.53	14.71	8.38	8.38
Dinesh S.Soni (H.U.F.)	Relative of Director	2.19	2.4		
<b>Job work Charges</b>					
Jitendra S.Soni (H.U.F.)	Relative of Director		2.73	0.15	0.26
Dinesh S.Soni (H.U.F.)	Relative of Director		0		
Saremal C.Soni (H.U.F.)	Relative of Director		2.73		
Mrs. Narmadaben S. Soni	Relative of Director		2.73		
Mrs. Alka J. Soni	Relative of Director		2.73		
Mrs.Kiran D. Soni	Relative of Director		2.73		
Astha jewels	Concern in Which Director is interested		2.85		
<b>Salary</b>					
Mr. Jenik D. Soni	Relative of Director	1.75			
<b>Commission Expenses</b>					
Jitendra S.Soni (H.U.F.)				2.59	
Saremal C.Soni (H.U.F.)				2.91	
<b>Sale</b>					
Astha jewels	Concern in Which Director is interested				10.33
<b>Purchase</b>					
Astha jewels	Concern in Which Director is interested			70.19	38.29
<b>Loan Taken by the Company</b>					
Mr. Dinesh Soni	Director			60.03	9.12
Mr. Saremal Soni	Director			83.74	43.37
Mr.Jitendra Soni	Director			54.7	20.1
Dinesh S.Soni (H.U.F.)	Relative of Director			75.45	1.27
Jitendra S.Soni (H.U.F.)	Relative of Director			8.81	7.04
Saremal C.Soni (H.U.F.)	Relative of Director			49.02	21.99
Mrs. Alka Soni	Relative of Director			18.75	11.07
Mrs. Kiran Soni	Relative of Director			23.20	12.69
Mrs.Narmadaben S. Soni	Relative of Director			16.15	33.16
Herina Soni	Relative of Director				
Mr. Jenik Soni	Relative of Director				
<b>Total</b>					
<b>Loan Paid back by the Company</b>					
Mr. Dinesh Soni	Director			74	7.49
Mr. Saremal Soni	Director			144.66	95.67
Mr.Jitendra Soni	Director			67.13	9.25
Dinesh S.Soni (H.U.F.)	Relative of Director			92.42	1.33
Jitendra S. Soni (H.U.F.)	Relative of Director			35.16	8.25
Saremal C.Soni (H.U.F.)	Relative of Director			104.14	53.39
Mrs. Alka Soni	Relative of Director			40.19	16.84

Mrs.Kiran D. Soni	Relative of Director			67.60	30.16
Mrs. Narmadaben Soni	Relative of Director			63.06	71.89
Ms. Herina Soni	Relative of Director			1.12	
Mr. Jenik Soni	Relative of Director			1.12	
<b>Balance Outstanding( Liability)</b>					
Mr. Dinesh Soni	Director			0.00	13.97
Mr. Saremal Soni	Director			0.00	60.92
Mr. Jitendra Soni	Director			0.00	12.43
Dinesh S. Soni (H.U.F.)	Relative of Director			0.00	16.97
Jitendra S. Soni (H.U.F.)	Relative of Director			0.00	26.35
Saremal C.Soni (H.U.F.)	Relative of Director			0.00	55.12
Mrs. Alka J. Soni	Relative of Director			0.00	21.44
Mrs.Kiran D. Soni	Relative of Director			0.00	44.40
Mrs.Narmadaben S. Soni	Relative of Director			0.00	46.91
Ms. Herina Soni	Relative of Director			0.00	1.12
Mr. Jenik Soni	Relative of Director			0.00	1.12
<b>Interest Payment</b>					
Mr. Dinesh Soni	Director			1.93	1.58
Mr. Saremal Soni	Director			5.2	0.00
Mr. Jitendra Soni	Director			0.99	0.23
Dinesh S. Soni (H.U.F.)	Relative of Director			3.03	1.27
Jitendra S.Soni (H.U.F.)	Relative of Director			2.37	2.87
Saremal C. Soni (H.U.F.)	Relative of Director			5.55	8.57
Mrs. Alka Soni	Relative of Director			2.17	2.89
Mrs.Kiran Soni	Relative of Director			4.25	6.15
Mrs.Narmadaben Soni	Relative of Director			3.85	3.92

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**

You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Prospectus. You should also read the section entitled "Risk Factors" beginning on page 17, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year ("Fiscal Year") are to the twelve-month period ended March 31 of that year.

### **Business Overview**

Our Company is engaged in the business of wholesale trading of Jewellery till March 2019. The Jewellerys were manufactured on Job-work basis at Ahmedabad and Rajkot. We are well known and trusted wholesaler of gold jewellery supplier, having showroom of 2945 sq. feet on prime location of C.G. Road, Ahmedabad, the newly developed main market for buying Gold and Diamond Jewellery. The design of our products is done either in house or by third parties on our behalf and get the Jewellerys manufactured on job work basis. We believe that our track record of almost two-decade attracts and signifies customers trust in the quality and purity of our products. We deal in antique Jewellery too. In addition to the above, we are also in the Trading of Gold Jewellery. For further details please refer the chapter titled "BUSINESS OVERVIEW" on page 79 of this Draft Prospectus.

### **Significant developments subsequent to the last financial year:**

After the date of last Audited accounts i.e. September 30, 2020, the Directors of our Company confirm that, there have not been any significant material developments.

### **Discussion on Results of Operation:**

The following discussion on results of operations should be read in conjunction with the Audited Financial Results of our Company for the period ended on September 30, 2020 and for the years ended March 31, 2020, 2019 and 2018.

### **Key factors affecting the results of operation:**

Our Company's future results of operations could be affected potentially by the following factors:

- Political Stability of the Country.
- World Economy.
- Government policies for the Gold.
- Investment Flow in the country from the other countries.
- Competition from existing players:
- Company's ability to successfully implement growth strategy
- Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate
- Recession in the market
- Failure to adapt to the changing technology in our industry of operation may adversely affect our business
- and financial condition;

## OUR SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer Significant Accounting Policies, “Annexure 4” beginning under Chapter titled “Financial Information of our Company” beginning on page 124 of the Draft Prospectus.

## RESULTS OF OUR OPERATION FOR STUB PERIOD

The Period ended on September 30, 2020 was unusual period for the world. The Covid19 has affected the most of the Countries in the world. The total lock down of the country due to pandemic situation standstill the economic activity of the Country. The total Revenue due to lock down has been reduced substantially. However, for the Company on account of the upward movement of gold price, the profit of the Company has increased substantially though the revenue has substantially reduced.

(₹ in Lakhs)		
<b>Income from continuing operations</b>	<b>30.09.2020</b>	<b>%</b>
Revenue from operations	2,229.99	99.95
Other Income	1.17	0.05
<b>Total Revenue</b>	<b>2,231.16</b>	<b>100.00</b>
<b>Expenses</b>		
Material cost	1977.13	88.61
Change in Inventory	(373.34)	(16.73)
Employee benefits expense	168.79	7.57
Finance Costs	0.94	0.04
Other expenses	98.58	4.42
Depreciation and amortisation expenses	32.7	1.47
<b>Total Expenses</b>	<b>1,904.80</b>	<b>85.37</b>
<b>Restated profit before tax from continuing operations</b>	<b>326.36</b>	<b>14.63</b>
<b>Exceptional Item</b>		
<b>Tax expense/(income)</b>		
Current tax	82.14	
<b>Total tax expense</b>		
<b>Restated profit after tax from continuing operations (A)</b>	<b>244.22</b>	<b>10.95</b>

### Income from Operations

The Total income from the Operation for the stub period ended on September 30, 2020 was ₹2,231.16lakhs consist of Revenue from business of gold ornaments manufactured by company of ₹2,229.99 Lakhs and from other income ₹1.17 Lakhs, which is 99.95% and 0.05% respectively of the total income from Operation.

### Total Expenditure

The total expenditure for stub period ended on September 30, 2020 was ₹1904.80 Lakhs which is 85.37% of the total revenue for the stub period. The major expenditure which is part of the total expenditure is material Consumed amounting to ₹1603.79 Lakhs (71.88 %).

## Profit After Tax

The profit for the stub period was ₹244.22Lakhs representing to 10.95 % of the total revenue.

## RESULTS OF OUR OPERATIONS:

(₹in Lakhs)

Particulars	For the year ended on		
	31.03.2020	31.03.2019	31.03.2018
<b>Income from continuing operations</b>			
Revenue from operations	12,058.22	8,819.76	4,692.92
<b>% of growth</b>	36.72	87.94	
Other Income	7.68	0.46	
<b>Total Revenue</b>	<b>12,065.90</b>	<b>8,820.22</b>	<b>4,692.92</b>
	36.80	87.95	
<b>Expenses</b>			
Purchase of stock in trade	11673.47	9269.75	4214.6
% total Revenue	96.75	105.10	89.81
Change In Inventory	(562.09)	(905.82)	253.78
Material Consumption	11,111.38	8,363.93	4,468.38
% total Revenue	92.09	94.83	95.22
Employee benefits expense	353.93	60.63	111.63
<b>% Increase/(Decrease)</b>	483.75	(45.69)	
Finance Costs	2.23	42.47	44.05
<b>% Increase/(Decrease)</b>	(94.75)	(3.59)	
Other expenses	496.05	289.62	49.81
<b>% Increase/(Decrease)</b>	71.28	481.45	
Depreciation and amortization expenses	38.49	11.79	8.35
<b>% Increase/(Decrease)</b>	226.46	41.20	
<b>Total Expenses</b>	<b>12,002.08</b>	<b>8,768.44</b>	<b>4,682.22</b>
% to total revenue	99.47	99.41	99.77
<b>EBDITA</b>	<b>104.54</b>	<b>106.04</b>	<b>63.10</b>
<b>% to total revenue</b>	0.87	1.20	1.34
<b>Restated profit before tax from continuing operations</b>	63.82	51.78	10.70
<b>Exceptional Item</b>			
Total tax expense	16.46	13.62	3.40
<b>Restated profit after tax from continuing operations (A)</b>	47.36	38.16	7.30
<b>% to total revenue</b>	0.39	0.43	0.16

## COMPARISON OF FY 2020 WITH FY 2019:

### Income from Operations

The company is in business of manufacturing of gold ornaments and then after selling on wholesale basis. The total income from operations for the FY 2020 was ₹12,065.90 Lakhs as compared to ₹8,820.22 Lakhs during the FY 2019 showing increase of 36.72%.



## **Expenditure:**

### **Material Cost:**

The material cost for FY 2020 was ₹11,111.38 Lakhs which was 92.09 % of the total revenue. In FY 2019 the material cost was ₹8,363.93 Lakhs which was 94.83 % of total Revenue.

### **Employee Benefits Expenses**

The Employee expenses for FY 2020 were ₹353.93 Lakhs against the expenses of ₹60.63 Lakhs in FY 2019 showing increase of 483.75%. The Company had started manufacturing of the ornaments in house and employed staff on its own payroll. Previously the Company was manufacturing the gold ornaments on Job work Basis and the job work charges are paid. The employee expenses were less on account of getting the gold ornaments manufactured on Job Work basis.

### **Other Expenses**

Other Expenses increased from ₹289.62 Lakhs for FY 2019 to ₹496.05 Lakhs for FY 2020 showing increase of 71.28%. The other expenses include mainly Job Work charges, shop Rent and selling and distribution expenses. The main reason for increase of the other expenses was due to increase of job work charges on account of increase of Revenue by 36.80% and revision of the rent for offices. The Office rent which was 26.51 Lakhs in FY 2019 was increased to 46.11 Lakhs in FY 2020. The Job Work Charges which was 205.27 Lakhs in FY 2019 was increased to ₹331.78 Lakhs in FY 2020.

### **Interest & Financial Charges**

Interest and Financial charges decreased from ₹42.47 Lakhs for FY 2019 to ₹2.23 Lakhs for FY 2020 showing decrease of 94.75%. The Decrease in financial charges was due to repayment of unsecured loans in the FY 2019.

### **Depreciation**

The Depreciation for FY 2020 was ₹38.49 Lakhs as compared to ₹11.79 Lakhs for FY 2019. The depreciation was increased by 226.46% in FY 2020 as compared to FY 2019 on account of depreciation on addition of fixed assets amounting to ₹300.48 Lakhs in last week of March 2019 and in FY 2020.

### **Profit after Tax**

PAT increased from ₹ 38.16 Lakhs the FY 2019 to ₹ 47.36 Lakhs in FY 2020. The profit after tax was increased as compared to FY 2019 marginally. In terms of volume the profit is increased marginally but in terms of percentage the profit is reduced. The PAT was 0.39% of total revenue in FY 2020 compared to 0.43 % of total revenue in FY 2019.

## **COMPARISON OF FY 2019 WITH FY 2018:**

### **Income from Operations**

The company is in business manufacturing of gold ornaments on Job work basis and then after selling on wholesale basis. The total income from operations for the FY 2019 was ₹8,820.22 Lakhs as compared to ₹4,692.92 Lakhs during the FY 2018 showing increase of 87.94%.

**Expenditure:****Material Cost:**

The material cost for FY 2019 was ₹8,363.93 Lakhs which was 94.83% of the total revenue. In FY 2018 the material cost was ₹4,468.38 Lakhs which was 95.22 % of total Revenue.

**Employee Benefits Expenses**

The Employee expenses for FY 2019 were ₹60.63 Lakhs against the expenses of ₹111.63 Lakhs in FY 2018 showing decrease of 45.69%. The Decrease in the employee expenses was on account of increase of Job work charges which was nil In FY 2018 as compared to ₹ 205.27 Lakhs in FY 2019.

**Other Expenses**

Other Expenses increased from ₹289.62 Lakhs for FY 2019 to ₹49.81 Lakhs for FY 2018 showing increase of 481.45%.The other expenses include mainly Job Work charges, shop Rent and selling and distribution expenses. The main reason for increase of the other expenses was due to increase of job work charges. The Job Work Charges which was nil in FY 2018 was increased to 205.27 Lakhs in FY 2019.

**Interest & Financial Charges**

Interest and Financial charges decreased from ₹44.05 Lakhs for FY 2018 to ₹42.47 Lakhs for FY 2019 showing decrease of 3.59%. The Decrease in financial charges was due to lesser utilization of bank working capital limits.

**Depreciation**

The Depreciation for FY 2019 was ₹11.79 Lakhs as compared to ₹8.35 Lakhs for FY 2018.The depreciation was increased by 41.20% in FY 2019 as compared to FY 2018 on account of depreciation on addition of fixed assets.

**Profit after Tax**

PAT increased from ₹7.30 Lakhs for the FY 2018 to ₹38.16 Lakhs in FY 2019. The profit after tax was increased as compared to FY 2018 on account of starting the manufacturing of gold ornaments on Job work basis. In FY 2018 majority work is of trading.

**Related Party Transactions**

For further information please refer “Annexure 30” beginning on page 145 under Chapter titled “Financial Information of our Company” beginning on page 124 of the Draft Prospectus.

**Financial Market Risks**

We are exposed to financial market risks from changes in borrowing costs, interest rates and inflation.

**Interest Rate Risk**

We are currently exposed interest to rate risks to the extent of outstanding loans. However, any rise in future borrowings may increase the risk.

### **Effect of Inflation**

We are affected by inflation as it has an impact on the operating cost, staff costs etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

### **Information required as per Item (ii) (C) (II) (11) of Part A of Schedule VI to the SEBI Regulations:**

#### **1. Unusual or infrequent events or transactions**

To our knowledge there have been no unusual or infrequent events or transactions that have taken place during the last three years.

#### **2. Significant economic changes that materially affected or are likely to affect income from continuing operations.**

Our business has been subject, and we expect it to continue to be subject to significant economic changes arising from the trends identified above in 'Factors Affecting our Results of Operations' and the uncertainties described in the section entitled 'Risk Factors' beginning on page 17 of the Draft Prospectus. To our knowledge, except as we have described in the Draft Prospectus, there are no known factors which we expect to bring about significant economic changes.

#### **3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

Apart from the risks as disclosed under Section titled "Risk Factors" beginning on page 17 in the Draft Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

#### **4. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.**

Our Company's future costs and revenues will be determined by demand/supply in telecom sector and government telecom policies

#### **5. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.**

Increases in revenues are by and large linked to increases in volume of business.

#### **6. Total turnover of each major industry segment in which the issuer company operated.**

The Company is in the business of manufacturing of Gold Ornaments. The relevant industry data , as available, has been included in the chapter titled "Industry Overview" beginning on page no 69 of this draft prospectus.

#### **7. Status of any publicly announced new products or business segment.**

Our Company has not announced any new product and segment.

**8. The extent to which business is seasonal.**

Our Company's business is not seasonal. However the business of the company depend upon the Growth potential of the economy and growth of the country

**9. Any significant dependence on a single or few suppliers or customers.**

We are not dependant significantly on single customers or few suppliers.

**10. Competitive conditions.**

Competitive conditions are as described under the Chapters titled "Industry Overview" and "Business Overview" beginning on pages 69 and 79 respectively of the Draft Prospectus.

**11. Deviation from Accounting Standards**

The company has not deviated from applicable accounting Standards for recording sales and revenues.

## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (I) criminal proceedings (II) actions taken by statutory or regulatory authorities, (III) disciplinary action including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five (5) Financial Years, including outstanding action, (IV) claims related to direct and indirect taxes in a consolidated manner, (V) details of any other pending material litigation which are determined to be material as per a policy adopted by our Board (“Materiality Policy”), in each case involving our Company, Promoters and Directors (the “Relevant Parties”).

For the purpose of point (V) above, our Board has considered and adopted a policy of materiality for identification of material litigation involving the Relevant Parties before coming up with the Initial Public Offer. The same, has been revised in its meeting held on January 22, 2021 and has considered and adopted a policy of materiality for identification of material litigation involving the Relevant Parties.

In terms of the Materiality Policy, all pending litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five (5) Fiscals Years including outstanding action, and tax matters, would be considered ‘material’ if:

- (a) the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of Rs. 15.00 Lakhs shall be considered material; or
- (b) the monetary liability is not quantifiable, however, the outcome of any such pending proceedings may have a bearing on the business, operations, performance, prospects or reputation of our Company.

Except as stated in this section, there are no Outstanding Material Dues (as defined below) to creditors; or outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on January 22, 2021 determined that outstanding dues to creditors in excess of ₹15.00 lakhs as per the restated financials for the period ended September 30, 2020 shall be considered as material dues (“Material Dues”).

Unless otherwise stated to the contrary, the information provided is as of the date of this Draft Prospectus. Details of outstanding dues to creditors (including micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006) as required under the SEBI ICDR Regulations have been disclosed on our website at [www.ashapurigold.com](http://www.ashapurigold.com). It is clarified that for the purposes of the above, pre – litigations notices received by our Company Promoters, and the Directors shall, unless otherwise decided by the Board, not be considered as material litigations until such time that litigations proceedings are initiated before any judicial forum.

### PART I –LITIGATIONS INVOLVING OUR COMPANY

#### A. LITIGATIONS AGAINST OUR COMPANY

- 1) Criminal Litigations  
NIL
- 2) Civil Proceedings  
NIL
- 3) Taxation Matters  
NIL
- 4) Proceedings against Our Company for economic offences/securities laws/ or any other law

- NIL
- 5) Penalties in Last Five Years  
NIL
  - 6) Pending Notices against our Company  
NIL
  - 7) Past Notices to our Company  
NIL
  - 8) Disciplinary Actions taken by SEBI or stock exchanges against Our Company  
NIL
  - 9) Defaults including non-payment or statutory dues to banks or financial institutions  
NIL
  - 10) Details of material frauds against the Company in last five years and action taken by the Companies.  
NIL

**B. LITIGATIONS FILED BY OUR COMPANY**

- 1) Criminal Litigations  
NIL
- 2) Civil Proceedings  
NIL
- 3) Taxation Matters  
NIL
- 4) Details of any enquiry, inspection or investigation initiated under Companies Act, 2013 or any previous Company Law.  
NIL

**PART II –LITIGATIONS INVOLVING DIRECTOR(S) OF OUR COMPANY**

**A. LITIGATIONS AGAINST DIRECTOR(S) OF OUR COMPANY**

- 1) Criminal Litigations  
NIL
- 2) Civil Proceedings  
NIL
- 3) Taxation Matters  
NIL
- 4) Past Penalties imposed on our Directors  
NIL
- 5) Proceedings initiated against our Directors for economic offences/securities laws/ or any other law  
NIL
- 6) Directors on list of wilful defaulters of RBI  
NIL

**B. LITIGATIONS FILED BY DIRECTOR(S) OF OUR COMPANY**

- 1) Criminal Litigations  
NIL
- 2) Civil Proceedings  
NIL
- 3) Taxation Matters  
NIL

**PART III –LITIGATIONS INVOLVING PROMOTER(S) OF OUR COMPANY**

**A. LITIGATIONS AGAINST PROMOTER(S) OF OUR COMPANY**

- 1) Criminal Litigations  
NIL

- 2) Civil Proceedings  
NIL
- 3) Taxation Matters  
NIL
- 4) Past Penalties imposed on our Promoters  
NIL
- 5) Proceedings initiated against our Promoters for economic offences/securities laws/ or any other law  
NIL
- 6) Penalties in Last Five Years  
NIL
- 7) Litigation /defaults in respect of the companies/Firms/ventures/ with which our promoter was associated in the past  
NIL
- 8) Adverse finding against Promoter for violation of Securities laws or any other laws  
NIL

**B. LITIGATIONS FILED BY PROMOTERS(S) OF OUR COMPANY**

- 1) Criminal Litigations  
NIL
- 2) Civil Proceedings  
NIL
- 3) Taxation Matters  
NIL

**PART IV –LITIGATIONS INVOLVING SUBSIDIARY COMPANY:**

**AS ON DATE OF THIS DRAFT PROSPECTUS, OUR COMPANY DOES NOT HAVE ANY SUBSIDIARY COMPANY.**

**PART V –LITIGATIONS INVOLVING GROUP COMPANY:**

**AS ON DATE OF THIS DRAFT PROSPECTUS, OUR COMPANY DOES NOT HAVE ANY LITIGATIONS INVOLVING GROUP COMPANY.**

**PART VI –OTHER MATTERS**

NIL

**PART VII –DETAILS OF ANY INQUIRY, INSPECTION OR INVESTIGATION INITIATED UNDER PRESENT OR PREVIOUS COMPANIES LAWS IN LAST FIVE YEARS AGAINST THE COMPANY OR ITS SUBSIDIARIES**

NIL

**PART VIII –OUTSTANDING LITIGATION AGAINST OTHER COMPANIES OR ANY OTHER PERSON WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY**

NIL

**PART IX –MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET**

Except as mentioned under the chapter - “*Management Discussion and Analysis of Financial Condition and Result of Operation*” on page 148 of this Draft Prospectus, there have been no material developments, since the date of the last audited balance sheet.

**PART X –OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS**

As on September 30, 2020, our Company had 30 creditors, to whom a total amount of ₹76.09 lakhs were outstanding. As per the requirements of SEBI Regulations, our Company, pursuant to a resolution of our Board dated January 24, 2019, considered creditors to whom the amount due exceeds ₹15.00 lakhs as per our Company's restated financials for the purpose of identification of material creditors. Based on the above, the following are the material creditors of our Company.

<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount (₹ in Lakhs)</b>
1.	Amount due to Micro and Small Enterprises.	Nil
2.	Amount due to Material Creditors.	37.00
3.	Amount due to Other Creditors.	39.09
	<b>Total</b>	<b>76.09</b>

Further, none of our creditors have been identified as micro enterprises and small-scale undertakings by our Company based on available information. For complete details about outstanding dues to creditors of our Company, please see website of our Company [www.ashapurigold.com](http://www.ashapurigold.com)

Information provided on the website of our Company is not a part of this Draft 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.ashapurigold.com](http://www.ashapurigold.com) would be doing so at their own risk.

#### **WILFUL DEFAULTER**

Our Promoters and Directors have not been identified as a willful defaulter in terms of the SEBI ICDR Regulations as on the date of this Draft Prospectus.



## GOVERNMENT AND OTHER STATUTORY APPROVALS

In view of the licenses, permissions, approvals, no-objections, certifications, registrations, (collectively “Approvals”) from the Government of India and various statutory, regulatory, governmental authorities listed below, our Company have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business activities (as applicable on date of this Draft Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business. It must be distinctly understood that in granting these Approvals, the Government of India and other authority does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf.

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. For further details in connection with the regulatory and legal framework within which we operate, please refer “*Key Industrial Regulations and Policies*” on page 92 of this Draft Prospectus.

Following statement sets out the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business.

### (A) Approvals for the Issue

#### Corporate Approvals

1. The Board of Directors has, pursuant to a resolution passed at its meeting held on August 26, 2020, authorised the Issue subject to the approval of the shareholders of the Company under Section 62(1)(c) of the Companies Act, 2013 and approvals by such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to a resolution dated September 24, 2020, passed in the AGM under Section 62(1)(c) of the Companies Act, 2013 authorised the Issue.

#### In-principle approval from the Stock Exchange

3. The Company has obtained in-principle listing approval from the BSE SME Platform dated [●].

#### Agreements with CDSL and NSDL

4. The Company has entered into an agreement dated **February 12, 2019** with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.
5. Similarly, the Company has also entered into an agreement dated **February 07, 2019** with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Big Share Services Private Limited, for the dematerialization of its shares.
6. The Company's International Securities Identification Number (“ISIN”) is INE05FR01011.

### (B) Registration under the Companies Act, 1956/2013:

1. Certificate of Incorporation dated June 17, 2008 issued by Assistant Registrar of Companies, Jurisdictional Registrar of Companies, Central Registration Centre, Ministry of Corporate Affairs in the name of Ashapuri Gold Ornament Private Limited.
2. Fresh Certificate of Incorporation Consequent upon Conversion from **Private** Company to **Public** company issued on January 23, 2019 by Registrar of Companies ROC-Ahmedabad, in the name of “Ashapuri Gold Ornament Limited.”


### (C) Registration under various Acts/Rules relating to Income Tax, Goods and Service Tax:

Sr. No.	Authority Granting Approval	Approval/ Registration No.	Applicable Laws	Nature of Approvals	Validity
1.	Income Tax Department- (PAN)	AAHCA1079R	Income Tax Act, 1961	Permanent Account Number	Valid, till Cancelled
2.	Income Tax Department-(TAN)	AHMA08197A	Income Tax Act, 1961	Tax Deduction Account Number	Valid, till Cancelled
3.	Gujarat Goods and Services Tax Act, 2017	24 AAHCA1079R1Z9	Gujarat Goods and Services Tax Act, 2017	Goods and Services Tax	Valid, till Cancelled
4.	Ministry of Commerce and Industry, Foreign Trade Development Officer.	IEC NO.:0814012655	Foreign Trade (Development & Regulation) Act, 1992	Import- Export Code	Valid, till Cancelled

**(D) Registration and Approvals under Statutory and Regulatory Act(s):**

Sr. No	Authority Granting Approval	Approval/ Registration No.	Applicable Laws	Nature Of Approvals	Validity
1.	Ahmedabad Municipal Corporation	PRC010514000361	Professions, Trade, Calling & Employment Act, 1976	Registration Certificates under Professions, business, Trades & Employment Act, 1976 (Registration for Professional Tax from employees)	Valid, till Cancelled
2.	Ahmedabad Municipal Corporation	PEC010514001919	Professions, Trade, Calling & Employment Act, 1976	Registration Certificates under Professions, business, Trades & Employment Act, 1976 (Registration for Professional Tax from company)	Valid, till Cancelled
3.	Micro, Small or Medium Enterprise	GJ01B0137844	Entrepreneurs Memorandum for Setting up Micro, Small or Medium enterprise.	UdyogAadhar Registration Certificate	--
4.	Assistant Director, Employees State Insurance Corporation	37001149620001002	Employee State Insurance Act, 1948 (E.S.I. Act, 1948)	Registration of Employees of the Factories and Establishments under Section 1(5) of the Act	Valid, till cancelled
5.	Employees' Provident Fund Organisation	GJAHD2283319000	Employees' Provident Fund and Miscellaneous Provisions Act, 1952	Registration of Establishment with Employees' Provident Fund Organisation	Valid till Cancelled

**(E) Intellectual Property Rights:**

Sr. No	Authority Granting Approval	Approval/Registration No.	Applicable Laws	Nature of Approvals	Validity
1.	Registrar of Trade Marks	Application No.: 3348531, under class no. 14, Gold Jewellery and Bullion, Precious Stones, precious Metals and their Alloys and goods in precious metals or coted therewith included in class 14	Trade Marks Act,1999	Registered in Journal No. 1895-0 	Valid Upto August 30, 2026

**(F) Approvals applied for but not yet received / Renewals made in the usual course of business:**

**(G) Material Licenses/ Statutory Approvals / Permission required for Objects of the Issue:**

**Our Company has yet to apply for**

1. The Validity is expired December 31, 2019 for theRegistration Certificates under Bombay Shops and Establishment Act, 1948.
2. Factory license to be issued by the “The Industrial Health &Safety Department”, Gujarat
3. For Consent / Authorisation of Gujarat Pollution Control Board under section 25 and 26 of the Water (Prevention & Control of Pollution) Act, 1974, under section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and Authorization under Rule 5 of the Hazardous Wastes (Management &Handling) Rules 1989, if any.

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **AUTHORITY FOR THE ISSUE**

The Further Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on August 26, 2020 subject to the approval of shareholders of our Company through a special resolution to be passed pursuant to Section 62(1)(c) of the Companies Act, 2013.

The members of our Company have approved this Issue by a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the AGM of our Company held on September 24, 2020.

We have received In-Principle Approval from BSE vide their letter dated [●] to use the name of BSE Ltd in the Prospectus for further listing of our Equity Shares on SME Platform of BSE. BSE is the Designated Stock Exchange.

### **PROHIBITION BY SEBI OR GOVERNMENTAL AUTHORITIES**

Our Company, Promoter, Promoter Group, Directors, Group Companies are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by Board or any securities market regulator in any other jurisdiction or any other authority/court.

### **CONFIRMATIONS**

1. Our Company, Promoter, Promoter Groups is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.
2. Our Directors are not in any manner associated with the securities market and no action has been taken by the SEBI against any of the Directors or any entity with which our Directors are associated as promoters or directors.

### **ELIGIBILITY FOR THE ISSUE**

This Issue is being made pursuant to Regulation 281 read with Chapter IV of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

Our Company confirms that it is eligible to make the Issue under Regulation 103 of the SEBI (ICDR) Regulations, to the extent applicable.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 104 (2) pursuant to Regulation 281 of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue, pursuant to Regulation 281 read with Regulation 102 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 102 of the SEBI ICDR Regulations are as follows:

- (a) Neither our Company nor our Promoter, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoter or Directors are promoter or directors of companies which are debarred from accessing the capital markets by the SEBI.
- (c) Neither our Company nor our Promoter or Directors is a willful defaulter.
- (d) None of our Promoter or Directors is a fugitive economic offender.

We further confirm that we shall be complying with all other requirements as laid down for such Issue in the SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

Further, in accordance with Regulation 268 (1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within 15 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 15 Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

Our Company is in compliance with Part A of Schedule VI of the SEBI ICDR Regulations.

#### **SEBI DISCLAIMER CLAUSE**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT. THE LEAD MANAGER, MEHTA INTEGRATED FINANCE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT OFFER DOCUMENT, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER MEHTA INTEGRATED FINANCE LIMITED HAS FURNISHED TO STOCK EXCHANGE/SEBI A DUE DILIGENCE CERTIFICATE DATED JANUARY 25, 2021 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOUSER REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE DRAFT OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO, TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE DRAFT OFFER DOCUMENT.**

**ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, AHMEDABAD, IN TERMS OF SECTION 26 OF THE COMPANIES ACT.**

#### **DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER**

Our Company, the Directors, and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisements or any other material issued by or at instance of the above mentioned entities and that anyone placing reliance on any other source of information, including our website: [www.ashapurigold.com](http://www.ashapurigold.com), [www.mehtafinance.com](http://www.mehtafinance.com) would be doing so at his or her own risk.

## **DISCLAIMER IN RESPECT OF JURISDICTION**

This issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, and any FII sub-account registered with SEBI which is a foreign corporate or foreign individual, permitted insurance companies and pension funds) and to FIIs and Eligible NRIs,

This Draft Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Prospectus comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Gujarat only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Accordingly, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale here under shall, under any circumstances, create any implication that there has been any no change in our Company's affairs since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Prospectus in each jurisdiction, including India.

## **DISCLAIMER CLAUSE OF THE SME PLATFORM OF BSE**

BSE Limited ("BSE") has vide its letter dated[●] given permission to this Company to use its name in this offer document as one of the stock exchange on whose Small and Medium Enterprises ("SME Platform") the Company's securities are proposed to be listed. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. BSE does not in any manner: -

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. warrant that this company's securities will be listed on completion of Further Public Offering or will continue to be listed on BSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company;
- iv. warrant, certify or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the Company and investors are informed to take the decision to invest in the equity shares of the Company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the Company is determined by the Company in consultation with the Merchant Banker (s) to the issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this offer document have been cleared or approved by BSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so

pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

- v. BSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this offer document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof.
- vi. The Company has chosen the SME platform on its own initiative and at its own risk, and is responsible for complying with all local laws, rules, regulations, and other statutory or regulatory requirements stipulated by BSE/other regulatory authority. Any use of the SME platform and the related services are subject to Indian laws and Courts exclusively situated in Mumbai".

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

**Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.**

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Share or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **LISTING**

The Equity Shares are listed on the BSE. Applications will be made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares to be issued and sold in the Issue. The BSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

In terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, there is requirement of obtaining In-principle approval from SME Platform of BSE. Application for Further issue of capital has been made to the SME Platform of BSE for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the issue.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of BSE, the Company shall forthwith unblock, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not unblocked within Eight days after our Company becomes liable to unblock it then our Company and every officer in default shall, on and from such expiry of Eight days, be liable to unblock such application money, with interest at the rate of 15% per annum on application money, as prescribed under as prescribed under Section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of the BSE mentioned above are taken within Six Working Days from the Issue Closing Date.

## **IMPERSONATION**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

**“Any person who –**

**(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or**

**(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or vis-à-vis otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of Companies Act, 2013.”**

The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

## **CONSENTS**

The written consents of Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Legal Advisor to the Issue, Bankers to our Company, Lead Manager, Registrar to the Issue, Underwriter, Market Maker and Banker to Issue to act in their respective capacities have been obtained and will be filed along with a copy of the Prospectus with the ROC, as required under Sections 26 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the ROC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, M/s. Bhagat & Co, Statutory and Peer Review Auditors, of the Company have agreed to provide their written consent to the inclusion of their report, restated financial statements and statement of Tax Benefits dated January 18, 2021 and January 18, 2021 respectively, which may be available to the Company and its shareholders, included in this Draft Prospectus in the form and context in which they appear therein and such consent and reports have not been withdrawn up to the time of delivery of the Prospectus with ROC.

## **EXPERT OPINION**

Except for

- (a) Peer Review Auditors’ reports dated January 18, 2021 on the restated financial statements by M/s. Bhagat & Co., Chartered Accountants.
- (b) Statement of Tax Benefits dated January 18, 2021 by M/s. Bhagat & Co., Chartered Accountants; we have not obtained any other expert opinions.

## **PREVIOUS PUBLIC OR RIGHTS ISSUE**

The equity shares of our Company are listed on SME platform of BSE Limited. We have made public issue in the year 2019 and post that became a “Listed Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is a “Further Public Offering” in terms of the SEBI (ICDR) Regulations.

The Company has made the following public issues in the five years preceding the date of this Draft Prospectus.



Sr. No	Closing Date	Date Of Allotment	Date Of Refunds	Date of Listing on the designated stock exchange	Issue at a premium or discount	Amount of Premium
1.	March 18, 2019	March 22, 2019	March 26, 2019	March 27, 2019	Premium	Rs. 41.00

The total proceeds from the Initial Public Issue of Equity Shares aggregated Rs. 2932.50 Lakhs. The issue opened on March 13, 2019 and closed on March 18, 2019. The proceeds of the issue were applied towards the objects of the issue as stated in the Prospectus dated March 07, 2019 viz. (i) Establishment of jewellery manufacturing unit; (ii) Investment in partnership firm; (iii) Working Capital Requirements; and (iv) General Corporate Purpose.

For further details about the amount utilized and deviations if any, as stated in the object of the issue as stated in the Prospectus dated March 7, 2019, refer Chapter *Other Regulatory and Statutory Disclosure*, under heading Promise Versus Performance for our Company and/or Listed Subsidiary Company and/or Listed Promoter Company and *Risk Factor* on page no. 162 and 17 of this Draft Prospectus.

#### **COMMISSION AND BROKERAGE ON PREVIOUS ISSUES**

In the IPO, the brokerage and selling commission paid to SCSBs for the ASBA Application Forms procured by them would be at par as payable to brokers for the Application forms procured by them. However, in case, where ASBA Application Form are being procured by Syndicate Members / sub syndicate, then selling commission would be payable to Syndicate Members / sub syndicate and for processing of such ASBA Application Form, SCSBs would be given a prescribe fee of ₹10 per ASBA Application Form processed by them.

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

#### **COMMISSION PAYABLE TO SCSBS**

The brokerage and selling commission payable to SCSBs for the ASBA Application Forms procured by them would be at par as payable to brokers for the Application forms procured by them. However, in case, where ASBA Application Form are being procured by Syndicate Members / sub syndicate, then selling commission would be payable to Syndicate Members / sub syndicate and for processing of such ASBA Application Form, SCSBs would be given a prescribe fee of ₹10 per ASBA Application Form processed by them.

#### **CAPITAL ISSUE DURING THE PREVIOUS THREE YEARS BY ISSUER COMPANY AND LISTED GROUP COMPANIES AND SUBSIDIARIES OF OUR COMPANY**

Our Company has no public issue, rights issue or composite issue has been undertaken except the Initial Public Issue, details of which has been given under the heading “*PREVIOUS RIGHTS AND PUBLIC ISSUES*” of this Chapter.

As on the date of this Draft Prospectus, our Company does not have any Group company or subsidiary or associate company.

#### **PROMISE VERSUS PERFORMANCE FOR OUR COMPANY AND/OR LISTED SUBSIDIARY COMPANY AND/OR LISTED PROMOTER COMPANY**

##### **ISSUER COMPANY**

Our Company has come out with an Initial Public Issue of 57, 50,000 Equity Shares of ₹ 10 each offered at a fixed price of ₹ 51 per share aggregating to ₹ 2932.50 lakhs. The said issue was opened for subscription on March 13, 2019 and closed on March 18, 2019. The issue was fully subscribed and the basis of allotment was finalized in

consultation with the BSE Limited on March 22, 2019 and the new equity shares were listed on BSE with effect from March 27, 2019.

The Object of the Issue was to raise funds for:

1. Establishment of jewellery manufacturing unit;
2. Investment in partnership firm;
3. Meeting working capital requirements; and
4. General corporate purposes

Brief of the same is mentioned below:-

Sr. No.	Original Object of the Issue	Amount as mentioned in Prospectus	Amount Utilized	Unutilized
1.	Establishment of jewellery manufacturing unit;	150.00	108.76	#41.24
2.	Investment in partnership firm*	180.00	180.00	
3.	Meeting working capital requirements; and	1800.00	1800	
4.	General corporate purposes	725.00	725.00	
	<b>TOTAL</b>	<b>2855.00</b>	<b>2813.76</b>	<b>41.24</b>

# the unutilized fund is in the current account of the Company

**\*The reason for the alteration or change in the objects:**

The company has variant its Object of the Issue as stated in the Prospectus dated March 7, 2019 and got the permission from the shareholders in the Annual General Meeting held on 24<sup>th</sup> September, 2020 for utilization of the fund invested in partnership firm in to working capital requirement of the Company.

The Company has failed to achieve the expected growth in the business of partnership firm i.e readymade garment segment. Therefore, the Board of Directors of the company proposes to invest the said fund in income generating activity rather than unproductive activity. The Board of Directors of the company proposes to recall the fund deployed in “Blue Onyx Lifestyle” and infuse the same into “working capital requirements” of the company.

Moreover, Our Business is working capital intensive and the growth of business depends upon the Inventory maintained by the Company. Significant portion of funds of the Company is utilised in Inventory. Therefore it requires significant amount of Working Capital for a continuous growth. The Company believes that if the amount invested in “Blue Onyx Lifestyle” if used for working capital requirement then it will be beneficial for the Company to maintain the adequate liquidity and will improve its cash flow in the near future. And within 12 months the proposed varied objects would be achieved.

However, as per our Prospectus dated March 07, 2019(“Prospectus”), filed with the RoC for our IPO, we had envisaged the utilization of the entire IPO funds in the F. Y. 2018-19 and 19-20. The Company had utilized the funds in FY 2020-21 and as on date the fundraised through initial public offer of Rs 41.24 Lakhs is still unutilized. The unutilized funds were in the current bank account of the Company. The schedule of implementation was not adhered by the Company.

**Listed Group Companies / Subsidiary / Associate Companies**

Our Company does not have any subsidiary/ associate/Group Company listed on any stock exchange as on date of this Draft Prospectus.

**STOCK MARKET DATA FOR OUR EQUITY SHARES**

Equity Shares of our Company is listed on BSE Limited. Equity Shares are actively traded on BSE Limited, the Company's stock market data have been given below based on the closing prices on BSE Limited.

- The following table set forth the reported high, low and average market prices and trading volumes of Equity Shares recorded on the dates on which such high and low prices were recorded and the total trading volumes for Fiscal Years ended March 31, 2019 and March 31, 2020.

Year	High (Rs.)	Date of High	Volume on date of high (no. of shares)	Low (Rs.)	Date of Low	Volume on date of low (no. of shares)	Average price for the period / year (Rs.)*
March 27, 2019 to March 31, 2019#	52.45	March 27, 2019	102000	48	March 27, 2019	102000	50.73
April 1, 2019 to March 31, 2020	58.5	July 05, 2019	106000	15	October 16, 2019	54000	37.32
April 1, 2020 to December 31, 2020	48.5	December 14, 2020	44000	34.2**	April 8, 2020	2000	40.64

Source: www.bseindia.com

\*Average price for the period/year is calculated on closing price of the shares.

\*\* The low stock market price of the company is Rs. 34.2 on April 08, 2020, April 17, 2020, April 20, 2020 and July 30, 2020 so we have took the first lowest price.

# Our Company's shares commenced trading on BSE Limited on March 27, 2019 for the first time.

- The details relating to the high and low prices recorded on the stock exchanges for the six months preceding the date of filing of this Draft Prospectus, the volume of Equity Shares traded on the days the high and low prices were recorded, average price of our Equity Shares during each such month, the volume of Equity Shares traded during each month and the average number of Equity Shares traded during such trading days, are stated below:

Month	High (Rs.)	Date of High	Volume on date of high (no. of shares)	Low (Rs.)	Date of Low	Volume on date of low (no. of shares)	Average Price for the period / (Rs.)*	Volume (no. of shares)	No. of Traded Days	Average no. of shares traded during trading days
July 2020	35	July 30, 2020	4000	34.2	July 30, 2020	4000	35	4000	1	4000
August 2020**	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
September 2020**	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
October 2020	35	October 27, 2020	10000	35	October 27, 2020	10000	35	10000	1	10000
November 2020	42	November 17, 2020	14000	42	November 17, 2020	14000	42	14000	1	14000
December 2020	48.5	December 14, 2020	44000	43***	December 14, 2020	44000	43.88	142000	9	15778

\*Average price for the period/year is calculated on closing price of the shares.

\*\*During August and September stock of our company was not traded.

\*\*\*The low stock market price of the company is Rs. 43 on December 14, 2020, December 16, 2020, December 18, 2020, December 22, 2020 and December 31, 2020 so we have took the first lowest price.

- The shares of the Company are not actively traded. In the last six months the stock of the Company was traded for 12 days only.

4. The Stock of our Company was not traded on BSE Limited on August 27, 2020 and September 25, 2020, the first working day after the date of approval of the Board of Director and Shareholders Meeting for approving the Issue respectively.

## **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The Agreement between the Registrar and our Company provides for retention of records with the Registrar for a period of at least three years from the last date of dispatch of the letters of allotment, demat credit and unblocking of funds to enable the investors to approach the Registrar to this Issue for redressal of their grievances. All grievances relating to this Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as the name, address of the application, UPI Id (if applicable), number of Equity Shares applied for, amount paid on application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Applicants, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and designated branch or the collection center of the SCSBs or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Applicants.

Further, as on date of this Draft Prospectus our Company has no any subsidiary company and our Group Company is not listed on any stock exchanges, so disclosure regarding mechanism for redressal of investor grievances for our subsidiary companies and group companies are not applicable.

### **Disposal of Investor Grievances by our Company**

The Company has appointed Bigshare Services Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to the Issue to ensure that the investor grievances are settled expeditiously and satisfactorily. The Registrar to the Issue will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven (7) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Lead Manager and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

The Company has obtained authentication on the SCORES and shall comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

Our Company has reconstituted a Stakeholders Relationship Committee of the Board vide resolution passed on August 30, 2019. For further details, please refer the chapter titled "*Our Management*" on page no. 107 of Draft Prospectus.

Our Company has also appointed Mr. Dharmesh Jayendra Shah as the Company Secretary and Compliance Officer of our company, for this Issue he may be contacted in case of any pre-issue or post-issue related problems at the following address:

**Ashapuri Gold Ornament Limited**

**Address:** 109 to 112A, 1st Floor Supermall,  
Nr. Lal Bungalow, C.G. Road, Ahmedabad - 380009  
**Tel No:** 079-26462170/71

**Web Site:** [www.ashapurigold.com](http://www.ashapurigold.com)

**Email ID:** [account@ashapurigold.com](mailto:account@ashapurigold.com)

**Contact Person:** Mr. Dharmesh Jayendra Shah

**PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER**

For details regarding the price information and track record of the past issue handled by Mehta Integrated Finance Ltd, as specified in the circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by SEBI, please refer Annexure "A" and the website of Lead Manager at [www.mehtafinance.com](http://www.mehtafinance.com)

**Annexure A**

**DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY MEHTA INTEGRATED FINANCE LTD**

Sr. No.	Issue Name	Issue Size (Cr)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	UmiyaTubes Limited	2.00	10	April 1, 2016	10.50	55% (+0.66%)	165.50% (+5.82%)	311% (+11.69%)

Sources: All share price data is from [www.bseindia.com](http://www.bseindia.com)

**Note:**

- The BSE Sensex is considered as the Benchmark Index
- Prices on BSE/NSE are considered for all of the above calculations
- In case 30th/90th/180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered
- In case 30th/90th/180th days, scrips are not traded then last trading price has been considered.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by the lead manager are provided.

**SUMMARY STATEMENT OF DISCLOSURE**

Financial year	Total no. of IPO	Total funds Raised (₹ Cr)	Nos of IPOs trading at discount on 30th Calendar day from listing date			Nos of IPOs trading at premium on 30 <sup>th</sup> Calendar day from listing date			Nos of IPOs trading at discount on 180 <sup>th</sup> Calendar day from listing date			Nos of IPOs trading at premium on 180 <sup>th</sup> Calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less Than 25%
2015-16	1	2.00	NA	NA	NA	1	NA	NA	NA	NA	NA	1	NA	NA
2016-17	Not Applicable													
2017-18	Not Applicable													
2018-19	Not Applicable													
2019-20	Not Applicable													

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the Lead Manager. Hence, disclosures pertaining to recent 10 issues handled by Lead Manager are provided. Track Record of past issues handled by Mehta Integrated Finance Ltd.

**Track Record of past issues handled by Mehta Integrated Finance Ltd.**

For details regarding track record of the Lead Manager to the Offer as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the Lead Manager at: [www.mehtafinance.com](http://www.mehtafinance.com).

## SECTION VIII – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, our Memorandum and Articles of Association, SEBI Listing Regulation, the terms of this Draft 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, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the BSE SME, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018; Retail Individual Investors applying in Public Offer shall use UPI as a payment mechanism with Application Supported by Blocked Amount for making application since this Public offering will not be under Phase I.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

#### Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act 2013, our Memorandum and Articles of Association and SEBI Listing Regulations, 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 the company after the date of Allotment. For further details, please see the section titled "*Main Provisions of the Articles of Association of our Company*" beginning on page 216 of this Draft Prospectus.

#### Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act 2013, Memorandum of Association and Articles of Association and SEBI Listing Regulations and recommended by the Board of Directors and approved by 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.

#### Face Value and Issue Price

The face value of the Equity Shares is ₹ 10 each and the Issue Price is ₹ 81 per Equity Share.

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled "*Basis for Issue Price*" beginning on page 63 of the Draft Prospectus. At any given point of time there shall be only one denomination for the Equity Shares.

At any given point of time there shall be only one (1) denomination of Equity Shares of our Company, subject to applicable law.

#### Compliance with SEBI ICDR Regulations

Our Company shall comply with all requirements of the SEBI ICDR Regulations 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and other preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, the terms of the SEBI Listing Regulations, and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled “Main Provisions of Articles of Association” beginning on page no 216 of the Draft Prospectus.

## **Minimum Application Value; Market Lot and Trading Lot**

In terms of Section 29 of the Companies Act 2013, the Equity Shares shall be allotted only in dematerialised form. As per the existing SEBI ICDR Regulations, 2018 the trading of the Equity Shares shall only be in dematerialised form for all investors.

In this context, two agreements signed by our Company with the respective Depositories and the Registrar and Share Transfer Agent to the Issue:

- Tripartite agreement dated February 12, 2019 among CDSL, our Company and the Registrar and Share Transfer Agent to the Issue; and
- Tripartite agreement dated February 07, 2019 among NSDL, our Company and the Registrar and Share Transfer Agent to the Issue

The trading of the Equity Shares will happen in the minimum contract size of 1,600 Equity Shares and the same may be modified by BSE SME Exchange from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Offer will be done in multiples of 1,600 Equity Share subject to a minimum allotment of 1,600 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of 1,600 Equity Share subject to a minimum allotment of 1,600 Equity Shares to the successful applicants.

## **Minimum Number of Allottees**

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and all the monies blocked by the SCSBs shall be unblocked within 4 Working days of closure of issue.

## **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Ahmedabad.

## **Joint Holders**



Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### **Nomination Facility to Investor**

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of Joint Applicants, death of all the Applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 (3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- (a) to register himself or herself as the holder of the Equity Shares; or
- (b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with 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.

### **Withdrawal of the Issue**

Our Company in consultation with the LM, reserve the right to not to proceed with the issue after the issue Opening date but before the date of meeting of Basis of Allotment. In such an event, our Company would issue a public notice in the newspaper in which the pre-issue advertisements were published, within two days of the issue Closing date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the issue. The LM through, the Registrar of the issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one working day from the date of receipt of such notification. Our Company shall also inform the same to the stock exchange on which equity shares are proposed to be listed.

### **Period of Operation of Subscription List of Public Issue**

ISSUE OPENS ON        [●]  
ISSUE CLOSES ON     [●]

### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten as per Regulation 260(1) of SEBI ICDR Regulation. If our Company does not receive the 100% subscription of the offer through the Offer Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond

eight days, after our Company becomes liable to pay the amount, our Company shall pay interest as prescribed under Section 40 of the Companies Act, 2013.

In accordance with Regulation 260(1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Issue through the Draft Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 268 of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will not be less than 50 (Fifty)

Further, in accordance with Regulation 267(2) 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 ₹ 1,00,000/- (Rupees One Lakh) per application.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued 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 1,600 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the BSE SME Platform.

#### **Application by Eligible NRIs, FIIs registered with SEBI, VCFs registered with SEBI and QFIs**

It is to be understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

#### **As per the extant policy of the Government of India, OCBs cannot participate in this Issue.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

#### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for lock-in of the pre-Issue Equity Shares and Promoters' minimum contribution in the Issue as detailed in the chapter "*Capital Structure*" beginning on page 42 of the Draft Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details please refer to the section titled "*Main Provisions of the Articles of Association*" beginning on page 216 of the Draft Prospectus.

#### **Allotment of securities in Dematerialized Form**

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. Applicants will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges. Allottees shall have

the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

### **Migration to Main Board**

In accordance with the BSE Circular dated November 26, 2012 our Company migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

If the Paid up Capital of the company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to 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 the company is more than ₹ 10 crores but below ₹ 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **Market Making**

The shares offered through this issue are proposed to be listed on the BSE SME Platform, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the BSE SME Platform for a minimum period of three years from the date of listing of shares offered through this Draft Prospectus. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please see "General Information" beginning on page 34 of the Draft Prospectus.

### **New Financial Instruments**

As on the date of this Draft Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoters, to acquire or receive any Equity Shares after the Issue. Further, our Company is not issuing any new financial instruments through this Issue.

## ISSUE STRUCTURE

This Issue is being made in terms of Chapter Iv of the SEBI (ICDR) Regulations, 2018 read with Regulation 281 of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, The Company shall further issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME platform of BSE). For further details regarding the salient features and terms of such an issue please refer chapter titled “*Terms of the Issue*” and “*Issue Procedure*” on page 173 and 180 respectively of this Draft Prospectus.

Further issue of 37,05,600 equity shares of face value of ₹ 10 each for cash at a price of ₹ 81 per equity share including a share premium of ₹ 71 per equity share (the “issue price”) aggregating to ₹ 3001.54 lakhs (“the issue”) by our company.

Particulars	Net Issue to Public	Market Maker reservation portion
Number of Equity Shares*	35,20,000 Equity Shares	1,85,600 Equity Shares
Percentage of Issue Size available for allocation	95.00 % of the Issue Size 14.08 % of the Post Issue Paid up Capital	5.00 % of the Issue Size 0.74 % of the Post Issue Paid up Capital
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate subject to minimum allotment of 1,600 Equity Shares and Further allotment in multiples of 1,600 Equity Shares each. For further details please refer to the section titled “ <i>Issue Procedure</i> ” on page 180 of this Draft Prospectus.	Firm Allotment
Mode of Application	Retail Individual Investors may apply through UPI Payment Mechanism. All other applicants and Retail Individual Investors (whose bank do not provide UPI Payment facility) shall apply through ASBA Only.	Through ASBA mode Only.
Minimum Application Size	For QIB and NII: Such number of Equity Shares in multiples of 1,600 Equity Shares such that the Application Value exceeds ₹ 2,00,000 For Retail Individuals: 1,600 Equity Shares.	1,85,600 Equity Shares
Maximum Bid	For QIB and NII: Such number of Equity Shares in multiples of 1,600 Equity Shares such that the Application Size does not exceed 35,20,000 Equity Shares subject to adhere under the relevant laws and regulations as applicable. For Retail Individuals: 1,600 Equity Shares so that the Application Value does not exceed ₹ 2,00,000	1,85,600 Equity Shares
Mode of Allotment	Compulsorily in dematerialized mode	Compulsorily in dematerialized mode

Particulars	Net Issue to Public	Market Maker reservation portion
Trading Lot	1,600 Equity Shares	1,600 Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
Terms of payment	Entire Application Amount shall be payable at the time of submission of Application Form.	

\* 50 % of the shares offered in the Net Issue to Public portion are reserved for applications whose value is below ₹ 2,00,000 and the balance 50 % of the shares are available for applications whose value is above ₹ 2,00,000.

*Note:*

1. *In case of joint application, the Application Form should contain only the name of First Applicant whose name should also appear as the first holder of beneficiary account held in joint names. The signature of only such First Applicant would be Required in the Application Form and such First Applicant would be deemed to have signed on behalf of joint holders.*
2. *Applicants will be required to confirm and will be deemed to have represented to our Company, the LM, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.*
3. *SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.*

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018. For further details, please refer chapter titled “*Issue Procedure*” beginning on page 180 of this Draft Prospectus.

## ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issue (“GID”), prepared and issued in accordance with the SEBI circular no SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 notified by SEBI and updated pursuant to the circular SEBI/HO/CFD/DIL2/CIR/P/2 dated March 30, 2020 (the “General Information Document”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI (ICDR) Regulations. The General Information Document is available on the website of Stock Exchange(s), the Company and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment Instructions for ASBA Applicants; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) price discovery and allocation; (vii) general instructions (limited to instructions for completing the Application Form); (viii) designated date; (ix) disposal of applications; (x) submission of Application Form; (xi) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xii) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xiii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Lead Manager would not be able for any amendment, modification or change in applicable law, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications are submitted in accordance with the applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus.

SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, and as modified through its circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 and the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 (collectively the “UPI Circulars”) has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI mechanisms for RIIs applying through Designated Intermediaries have been made effective along with the existing process and existing timeline of T+6 days. The same was applicable until June 30, 2019 (“UPI Phase I”).

With effect from July 1, 2019, with respect to Applications by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Further, as per the SEBI circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II has been extended until March 31, 2020. Further still, as per Sebi Circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated

*March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount be continued till further notice. Subsequently, the final reduced timeline will be made effective using the UPI mechanism for applications by RIIs (“UPI Phase III”), as may be prescribed by SEBI.*

*This section applies to all the Applicants, please note that all the Applicants are required to make payment of the Full Application Amount along with the Application Form. Further, the Company and the LM are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.*

### **Phased implementation of Unified Payments Interface**

SEBI has issued a **UPI Circulars** in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

#### ***Phase I:***

This phase has become applicable from January 1, 2019 and will continue till June 30, 2019. Under this phase, a Retail Individual Applicant would also have the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six working days.

#### ***Phase II:***

This phase commenced on completion of Phase I i.e. with effect from July 1, 2019 and was to be continued for a period of three months or launch of five main board public issues, whichever is later. Further, as per the SEBI circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II has been extended until March 31, 2020. Further, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount be continued till further notice. Under this phase, submission of the Application Form by a Retail Individual Applicant through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six working days during this phase.

#### ***Phase III:***

The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to be three working days. All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers are to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchange and the Lead Manager

## **Fixed Price Issue Procedure**

The Issue is being made under pursuant to Regulation 281 read with Regulation 103(1) and Regulation 104(1) of the SEBI (ICDR) Regulations, 2018 through a Fixed Price Process.

Wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including Corporate Bodies or Institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. However, the Application by an Applicant should not exceed the investment limits prescribed under the relevant regulations/statutory guidelines.

Subject to the valid Applications being received at the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the LM and the Stock Exchange are required to submit their Applications to the Application Collecting Intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, the Company would have a right to reject the Applications only on technical grounds. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected.

**Investors should note that the Equity Shares will be Allotted to all successful Applicants only in dematerialised form. The Application Forms which do not have the details of the Applicant's depository account, including DP ID, Client ID and PAN and UPI ID (for RII bidding using the UPI mechanism), shall be treated as incomplete and will be rejected. Applicants will not have the option of being Allotted Equity Shares in physical form.**

### **Availability of Prospectus and Application Forms**

Copies of the Application Form and the Prospectus will be available at the offices of the LM, the Designated Intermediaries at Applicant Centers, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the Stock Exchange(s), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one (1) day prior to the Issue Opening Date.



Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Prospectus / Prospectus. All the Applicants (other than Anchor Investor and Retail Individual Investor using UPI Payment Mechanism) shall mandatorily participate in the Issue only through the ASBA process for application. ASBA applicants must provide bank account details and authorization to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected.

Retail Individual Investors submitting their application form to any Designated Intermediaries (other than SCSBs) shall be required to make Application using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Application Form. Retail Individual Investors submitting their application form to any Designated Intermediaries (other than SCSBs) failed to mention UPI ID are liable to be rejected. Retail Individual Investors may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

ASBA Applicants shall ensure that the applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected. The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form*
Resident Indians / Eligible NRIs applying on a non-repatriation basis (ASBA)	White
Non-Residents and Eligible NRIs applying on a repatriation basis (ASBA)	Blue

\*Excluding electronic Application Form.

In case of ASBA Forms, Designated Intermediaries shall upload the relevant Application details in the electronic Application system of the Stock Exchanges. Subsequently, for ASBA Forms (other than RIIs using UPI mechanism) Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a RIIs using the UPI mechanism) to the respective SCSBs, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. For RIIs using UPI mechanism, the Stock Exchanges shall share the Application details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds.

Application Forms will also be available on the website of the BSE ([www.bseindia.com](http://www.bseindia.com)). Same Application Form applies to all ASBA Applicants/ Retail Individual Investors applying through UPI mechanism, irrespective of whether they are submitted to the SCSBs, to the Registered Brokers, to Registrars to an Issue and Share Transfer Agents, Depository Participants or to the Syndicate (in Specified Cities).

### Submission and Acceptance of Application Form

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.	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 intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

Designated Intermediaries shall submit Application Forms to SCSBs only

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchanges(s) and may by blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For Applications submitted by investors to intermediaries other than SCSBs without use of UPI for payment:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant bid details, including UPI ID, in the electronic bidding system of stock exchange(s). Stock Exchange shall share application details including the UPI ID with Sponsor Bank on a continuous basis, to enable Sponsor Bank to initiate mandate request on investors for blocking of funds. Sponsor Bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his / her mobile application, associated with UPI ID linked bank account

Stock exchange(s) shall validate the electronic bid details with depository’s records for DP ID/ClientID and PAN, on a real time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Application are deemed to have authorised our Company to make the necessary changes in the prospectus, without prior or subsequent notice of such changes to the Applicants.

**Who can apply?**

In addition to the category of Applicants set forth under General Information Document, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

1. Indian nationals resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
2. FPIs other than Category III foreign portfolio investor;
3. Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non-Institutional Investors (NIIs) category;
4. Mutual Funds registered with SEBI;
5. VCFs registered with SEBI;
6. FVCIs registered with SEBI;
7. Multilateral and bilateral development financial institutions;
8. State Industrial Development Corporations;
9. Insurance companies registered with Insurance Regulatory and Development Authority;
10. Provident Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
11. Pension Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
12. National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the GoI, published in the Gazette of India;
13. Insurance funds set up and managed by the army, navy or air force of the Union of India and by the Department of Posts, India;
14. Nominated Investor and Market Maker
15. Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares.
16. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

**Applications not to be made by:**

1. Minors (except under guardianship)
2. Partnership firms or their nominees
3. Foreign Nationals (except NRI)
4. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation

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

### ***For Retail Individual Applicants***

The Application must be for a minimum of 1600 Equity Shares and in multiples of 1600 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹2,00,000. In case of revision of Applications, the Retail Individual Investors have to ensure that the Application Price does not exceed ₹2,00,000.

### ***For Other than Retail Individual Investors (Non-Institutional Investors and QIBs):***

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹2,00,000 and in multiples of 1600 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 and Non-Institutional Investor cannot withdraw its Application after the Issue Closing Date and is required to pay 100% Application Amount upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Applicants are advised to ensure that any single application 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 Prospectus.**

### **Participation by associates/affiliates of Lead Manager**

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Category where the allotment is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the LM, shall be treated equally for the purpose of allocation to be made on a proportionate basis

### **Option to Subscribe to the Issue**

1. Our Company shall allot the specified securities in dematerialised form only. Investors opting for allotment in dematerialised form may get the specified securities rematerialised subsequent to allotment.
2. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.
3. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

### **Application by HUF**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Bid is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs may be considered at par with Applications from individuals

### **Application by Mutual Funds**

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

Application made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made. In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one (1) 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.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be attached with the Application Form. Failing this, our Company reserves the right to reject their Application in whole or in part, in either case, without assigning any reason thereof.

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.

### **Application by Indian Public including eligible NRIs applying on Non-Repatriation**

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors (other than minor having valid depository accounts as per demographic details provided by the depository), Foreign Nationals, Non Residents (except for those applying on non-repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF.

Eligible NRIs applying on a non-repatriation basis should authorize their SCSB to block their NRE/FCNR accounts as well as NRO accounts.

An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

### **Application by Eligible NRIs/FII's on Repatriation Basis**

Application Forms have been made available for eligible NRIs at our registered office.

Eligible NRIs applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under reserved 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 reserved category.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 (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.

### **Application by FPIs**

In terms of the FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post- Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased upto the sectoral cap by way of a resolution passed by our Board followed by a special resolution passed by the shareholders of our Company and subject to prior intimation to the RBI.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the FPI Regulations, an FPI, by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. In case of Applications made by FPIs, a verified true copy of the certificate of registration issued by the designated Depository Participant under the FPI Regulations is required to be attached along with the Application form, failing which our Company reserves the right to reject the Application without assigning any reasons thereof.

### **Application by SEBI registered VCFs, AIFs and FVCIs**

SEBI VCF Regulations and SEBI FVCI Regulations inter alia prescribe the investment restrictions on the VCFs and FVCIs registered with SEBI. Further, SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with SEBI in one (1) venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering.

Category I and II AIFs cannot invest more than 25% of their corpus in one (1) Investee Company. A category III AIF cannot invest more than 10% of their investible funds in one (1) Investee Company. A venture capital fund registered as a category I AIF, as defined in SEBI AIF Regulations, cannot invest more than 1/3<sup>rd</sup> of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under SEBI AIF Regulations shall continue to be regulated by SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of SEBI AIF Regulations.

Further, according to SEBI ICDR Regulations, the shareholding of VCFs and category I AIFs or FVCI held in a company prior to making an initial public offering would be exempt from lock-in requirements provided that such equity shares held are locked in for a period of at least one (1) year from the date of purchase by such VCF or category I AIFs or FVCI.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

**Our Company or the LM will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency. There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **Application by provident funds/ pension funds**

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject their Application, without assigning any reason thereof.

#### **Application by limited liability partnerships**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject their Application without assigning any reason thereof.

#### **Application by Banking Companies**

In case of Application made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserves the right to reject any Application by a banking company, without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-

financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

### **Application by Insurance Companies**

In case of Application made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject their Application without assigning any reason thereof.

Insurance companies participating in this Issue, shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time including the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (“IRDA Investment Regulations”).

- i. Equity shares of a company: the lower of 10%(1) of the investee company’s outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer/investment assets in case of a general insurer or a reinsurer;
- ii. The entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- iii. The industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) or (iii) above, as the case may be.

The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of Rs. 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of Rs. 500,000 million or more but less than Rs. 2,500,000 million.

Insurer companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDA from time to time including the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (“IRDA Investment Regulations”).

### **Application by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

### **Application by Systemically Important Non-Banking Financial Companies**

In case of Application made by systemically important non-banking financial companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof. Systemically important non-banking financial companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.



## **Application under Power of Attorney**

In case of Application made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, FPIs, Mutual Funds, Eligible QFIs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund, provident funds with a minimum corpus of ₹ 2,500 Lakhs and pension funds with a minimum corpus of ₹ 2,500 Lakhs (in each case, subject to applicable law and in accordance with their respective constitutional documents), 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, as applicable must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject their Application in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- With respect to Applications by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form.
- With respect to Applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Application Form.
- With respect to Applications made by provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form.
- With respect to Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form.
- Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application form, subject to such terms and conditions that our Company and the Lead Manager may deem fit.

The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories

## **Application by OCBs**

In accordance with RBI regulations, OCBs cannot participate in this Issue.

## **ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS**

**In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of the Draft Prospectus. ASBA Applicants are**

**advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.**

Lists of banks that have been notified by SEBI to act as SCSB (Self-Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

### **ASBA Process and Electronic Registration of Application**

Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant (“ASBA Account”) is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Lead Manager.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB or Registered Brokers or Registered RTA's or DPs registered with SEBI. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

**APPLICATION FORM SHALL BEAR THE STAMP OF THE SYNDICATE MEMBER/SCSBS/REGISTRAR AND SHARE TRANSFER AGENTS/DEPOSITORY PARTICIPANTS/STOCK BROKERS AND IF NOT, THE SAME SHALL BE REJECTED.**

### **Who can apply?**

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process.

### **Mode of Payment**

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

**Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.**

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

#### **Unblocking of ASBA Account**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account as per section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

#### **Terms of payment**

The entire Issue price of Rs.81.00/- 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 Applicants. 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 Applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

#### **Payment Mechanism**

The Applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount (issue price) in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Investors shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or

until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

## **PROCEDURE FOR UNIFIED PAYMENT INTERFACE (UPI)**

**In accordance to the SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, to stream line the process of public issue of Equity Shares and convertibles, Phase II shall become effective from July 01, 2019, thereafter for applications by Retail Individual Investors through intermediaries, where the existing process of investor submitting application form with any intermediaries along with bank account details and movement of such application forms from intermediaries to self-certified Syndicate Banks (SCSBs) for blocking of funds, will be discontinued. For such applications only the UPI mechanism would be permissible mode.**

### **Who can apply through UPI Mode:**

Only Retail Individual Investors are allowed to use UPI for the payment in public issues. Qualified Institutional Buyers and High-Net worth Investors shall continue to apply as per the existing process.

### **Process**

**Applications through UPI in IPOs (Public Issue) can be made only through the SCSBs/mobile applications whose name appears on the SEBI website: [www.sebi.gov.in](http://www.sebi.gov.in).**

### **Blocking of Funds:**

- a) Investors shall create UPI ID
- b) Investors shall submit their IPO applications through intermediaries and the investors shall enter UPI ID in the application form
- c) Thereafter, intermediary shall upload the Application details and UPI ID in the electronic bidding system of the Stock Exchange
- d) Stock Exchange shall validate the Application details on the real time basis with depository's records and shall bring the inconsistencies to the notice of intermediaries for rectification and re-submission
- e) Stock Exchange shall share the details including UPI ID with Sponsor Bank, to enable the Sponsor Bank to initiate the request for the blocking of funds
- f) Thereafter the investor shall receive notification and shall confirm the request by entering valid UPI PIN and upon such acceptance of request, funds would get blocked and intimation shall be given to the investor regarding blocking of funds

### **Unblocking of Funds:**

- a) After the issue close day, the RTA on the basis of bidding and blocking received from stock exchange undertake a reconciliation and shall prepare Basis of Allotment.
- b) Upon approval of such basis, instructions would be sent to the Sponsor Bank to initiate process for credit of funds in the public issue escrow account and unblocking of excess funds.
- c) Based on authorization given by the investor using UPI PIN at the time of blocking of funds, equivalent to the allotment, would be debited from investors account and excess funds, if any, would be unblocked.

**Further, RIIs would continue to have an option to modify or withdraw the bid till the closure of the issue period. For each such modification of application, RIIs shall submit a revised application and shall receive a mandate request from the Sponsor Bank to be validated as per the process indicated**

**above. Hence, applications made through UPI ID for payment the same shall be revised by using UPI ID only.**

### **Rejection grounds under UPI Payment Mechanism**

An investor making application using any of channels under UPI Payments Mechanism, shall use only his/ her own bank account or only his/ her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account

### **List of Banks providing UPI facility**

An investors shall ensure that when applying in the IPO using UPI facility, the name of his Bank shall appear in the list of SCSBs as displayed on the SEBI website.

A list of SCSBs and mobile application which are live for applying in public issues using UPI mechanism is provided on the SEBI Website at the following path:

*Home >> Intermediaries/Market Infrastructure Institutions >> Recognised Intermediaries >>Self Certified Syndicate Banks eligible as Issuer Banks for UPI*

Investors whose Bank is not live on UPI as on the date of the aforesaid circular, may use the other alternate channels available to them viz. submission of application form with SCSBs or using the facility of linked online trading, demat and bank account (Channel I or II at para 5.1 SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018.

### **Electronic Registration of Applications**

1. The Designated Intermediary will register the Applications using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Applications are being accepted. The Lead Manager, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary or (iv) Applications accepted and uploaded without blocking funds.
2. The Designated Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary and (iv) Applications accepted and uploaded without blocking funds. It shall be presumed that for Applications uploaded by the Designated Intermediary, the full Application Amount has been blocked.
3. In case of apparent data entry error either by the Designated Intermediary in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s).
4. The Designated Intermediary will undertake modification of selected fields in the Application details

already uploaded within before 1.00 p.m. of the next Working Day from the Issue Closing Date.

5. The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available with the Designated Intermediary and their authorized agents during the Issue Period. The Designated Branches or the Agents of the Designated Intermediary can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities on a regular basis. On the Issue Closing Date, the Designated Intermediary shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Lead Manager on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.
6. At the time of registering each Application submitted by an Applicant, Designated Intermediary shall enter the following details of the investor in the on-line system, as applicable:
  1. Name of the Applicant;
  2. IPO Name;
  3. Application Form number;
  4. Investor Category;
  5. PAN (of First Applicant, if more than one Applicant);
  6. DP ID of the demat account of the Applicant;
  7. Client Identification Number of the demat account of the Applicant;
  8. UPI ID (RIIs applying through UPI Mechanism)
  9. Numbers of Equity Shares Applied for;
  10. Location of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and Bank account number
7. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic Application Form number which shall be system generated.
8. The Designated intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
9. Such acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.
10. In case of QIB Applicants, the Lead Manager has the right to accept the Application or reject it. However, the rejection should be made at the time of receiving the Application and only after assigning a reason for such rejection in writing. In case on Non-Institutional Applicants and Retail Individual Applicants, Applications would be rejected on the technical grounds.
11. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or

any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

12. Only Applications that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. The Designated Intermediary will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the PAN, DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar will receive this data from the Stock Exchanges and will validate the electronic Application details with depository's records. In case no corresponding record is available with depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such Applications are liable to be rejected.

### **Withdrawal of Applications**

RIIs can withdraw their applications until Issue Closing Date. In case a RIIs wishes to withdraw the applications during the Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB or Sponsor Bank in the ASBA Account.

The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

### **Signing of Underwriting Agreement**

The issue is 100% Underwritten. For further details please refer to Section titled "*General Information*" on page 34 of this Draft Prospectus.

### **Filing of the Offer Document with the RoC**

For filing details, please refer Chapter titled "*General Information*" beginning on page 34 of this Draft Prospectus.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013, the Company shall, after filing the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where registered office of the Company is situated.

### **Price Discovery and Allocation of Equity shares**

- a) The Issue is being made through the Fixed Price Process where in up to Equity Shares shall be reserved for Market Maker. Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid Application being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non-Retail Applicants.
- b) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

- c) 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.
- d) In terms of SEBI Regulations, Non-Retail Investors shall not be allowed to either withdraw or lower the size of their applications at any stage.
- e) Allotment status details shall be available on the website of the Registrar to the Issue.

### **Issuance of Allotment Advice**

Upon approval of the Basis of Allotment by the designated stock exchange, the Registrar shall upload on its website. On the basis of approved basis of allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been allotted Equity Shares in the Issue.

1. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.
2. Issuer will that: (i) the allotment of the equity shares; and (ii) initiate corporate action for credit of shares to the successful applicant's Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.
3. The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

### **Issuance of Confirmation Allocation Note ("CAN")**

- a) A physical book is prepared by the Registrar on the basis of the Application Forms received from Investors. Based on the physical book and at the discretion of the Company in consultation with the LM, selected Investors will be sent a CAN and if required, a revised CAN.
- b) In the event that the Offer Price is higher than the Investor Allocation Price: Investors will be sent a revised CAN within 1 (one) day of the Pricing Date indicating the number of Equity Shares allocated to such Investor and the pay-in date for payment of the balance amount. Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Investors.
- c) In the event the Offer Price is lower than the Investor Allocation Price: Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

### **Designated Date**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

### **General Instructions**

Applicants are requested to note the additional instructions provided below.

### **Do's:**



1. Check if you are eligible to apply as per the terms of the Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Read all the instructions carefully and complete the Application Form;
3. Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
4. Ensure that your Application Form, bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Collection Centre within the prescribed time, except in case of electronic forms. Retail Individual Investors using UPI mechanism, may submit their ASBA forms with Designated Intermediary and ensure that it contains the stamp of such Designated Intermediary;
5. Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
6. If the first applicant is not the ASBA account holder (or the UPI- linked bank account holder as the case may be ), ensure that the Application Form is signed by the ASBA account holder (or the UPI-linked bank account holder as the case may be). Ensure that you have mentioned the correct bank account number and UPI ID in the Application Form;
7. All Applicants (other than Anchor Investors and RII using UPI Mechanism) should apply through the ASBA process only. RII not using UPI mechanism, should submit their application form directly with SCSB's and not with any designated intermediary.
8. With respect to Applications by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Application;
9. Ensure that you request for and receive a stamped acknowledgement of your Application;
10. Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
11. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process. Retail Individual Investors using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment, in a timely manner
12. Submit revised Applications to the same Designated Intermediary, as applicable, through whom the original Application was placed and obtain a revised TRS;
13. Except for Applications (i) on behalf of the central or state governments and the officials appointed by the courts, who, in terms of SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and (ii) Applications by persons resident in the state of Sikkim, who, in terms of SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the central or the state government and officials appointed by the courts and for Applicants residing in the state of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same. All other applications in which PAN is not mentioned will be rejected.
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that thumb impressions and signatures other than in the languages specified in the eighth schedule to the Constitution of India are attested by a magistrate or a notary public or a special executive magistrate under official seal;

16. Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint application, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
17. Ensure that the category and sub-category under which the Application is being submitted is clearly specified in the Application Form;
18. Ensure that in case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. If you are resident outside India, ensure that Applications by you are in compliance with applicable foreign and Indian laws;
20. Applicants should note that in case the DP ID, the Client ID, UPI ID (where applicable) and the PAN mentioned in the Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, match with the DP ID, Client ID (where applicable) and PAN available in the Depository database otherwise liable to be rejected; Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
21. Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
22. Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
23. Ensure that you have mentioned the correct ASBA Account number (for all Application other than Retail Individual Investors Bidding using the UPI Mechanism) in the Application Form and such ASBA account belongs to you and no one else. Further, Retail Individual Investors using the UPI Mechanism must also mention their UPI ID and shall use only his/her own bank account which is linked to his/her UPI ID;
24. Retail Individual Investors Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;
25. Retail Individual Investors Bidding using the UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. Retail Individual Investors shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;

**Don'ts:**

1. Do not apply for lower than the minimum Application size;
2. Do not apply at a Price different from the Price mentioned herein or in the Application Form;
3. Do not pay the Application Amount in cash, cheque, by money order or by postal order or by stock invest or any mode other than stated herein;
4. Do not send Application / ASBA Forms by post, instead submit the same to the Designated Intermediary only;
5. Do not submit the Application Forms with the Banker(s) to the Issue (assuming that such bank is not a SCSB), our Company, the BRLM or the Registrar to the Issue (assuming that the Registrar to the Issue is not one of the RTAs) or any non-SCSB bank;
6. Do not apply on an Application Form that does not have the stamp of the Designated Intermediary;

7. If you are a Retail Individual Applicant, do not apply for an exceeding  $\square$  200,000;
8. Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
9. Do not submit the General Index Register number instead of the PAN;
10. As an ASBA Applicant, do not submit the Application without ensuring that funds equivalent to the entire Application Amount are available to be blocked in the relevant ASBA Account and as in the case of Retail Individual Investors using the UPI Mechanism shall ensure that funds equivalent to the entire application amount are available in the UPI linked bank account where funds for making the bids are available.
11. As an ASBA Applicant, do not instruct your respective banks to release the funds blocked in the ASBA Account;
12. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
13. Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
14. If you are a QIB, do not submit your Application after 3.00 pm on the Issue Closing Date for QIBs;
15. If you are a Non-Institutional Applicant or Retail Individual Applicant, do not submit your Application after 3.00 pm on the Issue Closing Date;
16. Do not submit an Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
17. Do not submit an Application if you are not competent to contract under the Indian Contract Act, 1872, (other than minors having valid depository accounts as per Demographic Details provided by the Depositories);
18. If you are a QIB or a Non-Institutional Applicant, do not withdraw your Application or lower the size of your Application (in terms of quantity of the Equity Shares or the Application Amount) at any stage;
19. Do not submit ASBA Forms at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres; and
20. Do not submit ASBA Forms to a Designated Intermediary at a Collection Centre unless the SCSB where the ASBA Account is maintained, as specified in the ASBA Form, has named at least one (1) branch in the relevant Collection Centre, for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>). The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.
21. Do not submit a Application Form with third party UPI ID or using a third-party bank account (in case of Application submitted by Retail Individual Investors using the UPI Mechanism)

**The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

### **Instructions for completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit application forms in public issues using the stock broker (“broker”) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of Stock Exchange i.e. [www.bseindia.com](http://www.bseindia.com).

### **Applicant’s Depository Account and Bank Details**

**Please note that, providing bank account details in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.**

Applicants should note that on the basis of name of the Applicants, Depository Participant’s name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as ‘Demographic Details’). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants’ sole risk and neither the Lead Manager nor the Registrar to the Issue or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

### **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.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple Applications and are liable to be rejected. The Company, in consultation with the Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple Applications is given below:

- All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII subaccounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
- For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

#### **Permanent Account Number or PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (PAN) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Applications without the PAN will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

**Our Company/ Registrar to the Issue, Lead Manager can, however, accept the Application(s) which PAN is wrongly entered into by ASBA SCSB's in the ASBA system, without any fault on the part of Applicant.**

#### **RIGHT TO REJECT APPLICATIONS**

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds. It should be noted that RIIs using third party bank account for the payment in the public issue using UPI facility or using third party UPI ID linked bank account are liable to be rejected.

#### **Grounds for Technical Rejections**

Applicants are requested to note that Application may be rejected on the following additional technical grounds.

- a. Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;

- b. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- c. Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- d. PAN not mentioned in the Application Form;
- e. GIR number furnished instead of PAN;
- f. Applications for lower number of Equity Shares than specified for that category of investors;
- g. Applications at a price other than the Fixed Price of the Issue;
- h. Applications for number of Equity Shares which are not in multiples as stated in the chapter titled “Issue Structure”;
- i. Category not ticked;
- j. Multiple Applications as defined in the Prospectus;
- k. In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- l. Applications accompanied by Stock invest/ money order/ postal order/ cash;
- m. Signature of sole Applicant is missing;
- n. Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- o. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant’s identity (DP ID) and the beneficiary’s account number;
- p. Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- q. Applications by OCBs;
- r. Applications by US persons other than in reliance on Regulations or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
- s. Applications not duly signed;
- t. Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- u. Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- v. Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- w. Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- x. Applications or revisions thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of ₹ 2,00,000, received after 3.00 pm on the Issue Closing Date;
- y. Applications not containing the details of Bank Account and/or Depositories Account.
- z. Applications under the UPI Mechanism submitted by Retail Individual Investors using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
- aa. Application submitted by Retail Individual Investors using the UPI Mechanism through an SCSB and/or using a Mobile App or UPI handle, not listed on the website of SEBI.

### **Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent.

- a) a tripartite agreement dated February 20, 2020 with NSDL, our Company and Registrar to the Issue;
- b) a tripartite agreement dated February 28, 2020 with CDSL, our Company and Registrar to the Issue;

The Company's shares bear an ISIN No: INE0CQ101015

1. An applicant applying for Equity Shares in demat form must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the application.
2. The applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Application Form or Revision Form.
3. Equity Shares allotted to a successful applicant will be credited in electronic form directly to the Applicant's beneficiary account (with the Depository Participant).
4. Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
5. If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
6. The Applicant is responsible for the correctness of his or her demographic details given in the Application Form vis-à-vis those with their Depository Participant.
7. It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
8. The trading of the Equity Shares of our Company would be only in dematerialized form.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and a copy of the acknowledgement slip.

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

### **Disposal of Applications**

With respect to Investors, our Company shall ensure dispatch of Allotment Advice, refund orders (except for applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account of Depository Participants of the Applicants and submit the documents pertaining to the Allocation to the Stock Exchange(s) on the Investor Bidding Date. In case of Applicants who receive refunds through NECS, NEFT, direct credit or RTGS, the refund instructions will be given to the clearing system within 6 Working Days from the Issue Closing Date.

### **Impersonation**

Attention of the Applicant is specifically drawn to the provisions of Sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447”.

Section 447 of Companies Act, 2013 deals with ‘Fraud’ and prescribed a punishment of “imprisonment for a term which shall not be less than 6 (six) months but which may extend to 10 (ten) years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to 3 (three) times the amount involved in the fraud”.

### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the Stock Exchange, along with the Lead Manager and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

### **BASIS OF ALLOTMENT**

Allotment will be made in consultation with the Stock Exchange. In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 1,600 equity shares the allotment will be made as follows:
  - a. Each successful applicant shall be allotted 1,600 equity shares; and
  - b. The successful applicants out of the total applicants for that category shall be determined by the draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 1,600 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 1,600 equity shares subject to a minimum allotment of 1,600 equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 1,600 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in the Draft Prospectus.



6. Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 shall be made as follows:
  - a. A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
  - b. The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
  - c. The unsubscribed portion of the net to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

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

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled 'Basis of Allotment' of Draft Prospectus.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the Stock Exchange.

#### **BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION**

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size as specified in page shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The Executive Director/Managing Director of the Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

**As per the RBI regulations, OCBs are not permitted to participate in the Issue.**

**There is no reservation for Non-Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **AT PAR FACILITY**

Letters of Allotment or refund orders or instructions to Self-Certified Syndicate Banks in Application Supported by Blocked Amount process. The issuer shall ensure that "at par" facility is provided for encashment of refund orders for applications other than Application Supported by Blocked Amount process.

#### **Grounds for Refund**

#### **Non-Receipt of Listing Permission**

An Issuer makes an Application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Draft Prospectus. The designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permission to deal in and official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of the Prospectus.

In the event that the listing of the Equity Shares does not occur in the manner described in this Draft Prospectus, the Lead Manager and Registrar to the Issue shall intimate Public Issue bank/Bankers to the Issue and Public Issue Bank/Bankers to the Issue shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary Applicants.

If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, and as disclosed in the Prospectus.

### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per section 39 of the Companies Act, 2013, if the "Stated Minimum Amount" has not been subscribed and the sum payable on application money has to be returned within such period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of underwriters within Sixty Days from the date of closure of the Issue, the Issuer shall Forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer become liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013)

### **Minimum Number of Allottees**

The Issuer may ensure that the number of Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

### **Mode of Refunds**

- a) In case of ASBA Bids: Within 6 (six) Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid, for any excess amount blocked on Application, for any ASBA Bids withdrawn, rejected or unsuccessful or in the event of withdrawal or failure of the Offer
- b) In the case of Applicant from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/ or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

- c) In case of Investors: Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Investors. In case of Investors, the Registrar to the Offer may obtain from the depositories, the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Investors in their Investor Application Forms for refunds. Accordingly, Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, may be liable to compensate the Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

### **Mode of making refunds for Applicants other than ASBA Applicants**

The payment of refund, if any, may be done through various modes as mentioned below:

- (i) **NECS** - Payment of refund may be done through NECS for Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder as obtained from the Depository;
- (ii) **NEFT** - Payment of refund may be undertaken through NEFT wherever the branch of the Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code (“**IFSC**”), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (iii) **Direct Credit** - Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (iv) **RTGS** - Applicants having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS. The IFSC code shall be obtained from the demographic details. Investors should note that on the basis of PAN of the bidder, DP ID and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Offer will obtain from the Depository the demographic details including address, Applicants account details, IFSC code, MICR code and occupation (hereinafter referred to as “Demographic Details”). The bank account details for would be used giving refunds. Hence, Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at their sole risk and neither the BRLM or the Registrar to the Offer or the Escrow Collection Banks nor the Company shall have any responsibility and undertake any liability for the same; and
- (v) Please note that refunds, on account of our Company not receiving the minimum subscription of 90% of the Offer, shall be credited only to the bank account from which the Applicant Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Applicants may refer to Draft Prospectus.

## **INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND**

The Issuer shall make the Allotment within the period prescribed by SEBI. The Issuer shall pay interest at the rate of 15% per annum if Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner/instructions for unblocking of funds in the ASBA Account are not dispatched within such times as maybe specified by SEBI.

## **Completion of Formalities for listing & Commencement of Trading**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instruction for credit of Equity Shares to the beneficiary account with DPs, and dispatch the allotment Advise within 6 Working Days of the Issue Closing Date.

## **Undertaking by our Company**

Our Company undertakes the following:

1. That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (Six) working days of closure of the Issue;
3. That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
4. That the instruction for electronic credit of Equity Shares/ refund orders/intimation about the refund to non-resident Indians shall be completed within specified time; and
5. That no further issue of Equity Shares shall be made till the Equity Shares offered through the Draft Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.
6. That Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
7. That if our Company does not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given as a public notice which will be issued by our Company within two (2) days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. Stock Exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
8. The Equity Shares proposed to be issued by it in the Issue shall be allotted and credited to the successful applicants within the specified time in accordance with the instruction of the Registrar to the Issue;
9. If the Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within fifteen (15) days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants at the rate of 15% per annum for the delayed period
10. That if our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh draft prospectus with Stock Exchange/ RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;
11. That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

12. That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of Allotment; and
13. That it shall comply with such disclosure and account norms specified by SEBI from time to time

#### **Utilization of Issue Proceeds**

Our Board certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act; 2013
- 2) Details of all monies utilized out of the Issue shall be disclosed and continue to be disclosed till any part of the issue proceeds remains unutilized under an appropriate separate head in the Company's balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of section SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to section 177 of the Company's Act, 2013 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue respectively.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“**FEMA**”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, 1991 unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India (“**RBI**”) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”).

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“**FDI**”) through press notes and press releases. The DIPP, has issued consolidated FDI Policy Circular of 2017 (“**FDI Policy 2017**”), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI policy issued by the DIPP that were in force. The Government of India proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

FDI for items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Foreign Investment is allowed up to 100% under automatic route in our Company subject to certain conditions. For further details, please see the chapter titled “*Key Industry Regulations and Policies*” beginning on page 92 of this Draft Prospectus.

RBI also issues Master Directions - Foreign Investment in India and updates at the same from time to time. Presently, FDI in India is being governed by Master Directions on Foreign Investment No. RBI/FED/2017-18/60 FED Master Direction No. 11/2017-18 dated January 4, 2018, as updated from time to time by the RBI. In terms of the Master Directions, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to *inter-alia*, the applicable pricing guidelines prescribed under the Master Directions. The Indian company making such fresh issue of shares would be subject to the reporting requirements, *inter-alia* with respect to consideration for issue of shares and also subject to making certain filings including the filing of Form FC-GPR.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained by the company.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP/ RBI, from time to time. Such conditions include:

- (i) where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that: a) the requisite approval of the Government has been obtained, and b) the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time.;
- (ii) where the transfer of shares attracts SEBI (SAST) Regulations subject to the adherence to the pricing guidelines and documentation requirements as specified by Reserve Bank of India from time to time;
- (iii) where the transfer of shares does not meet the pricing guidelines under the FEMA, 1999 provided that: a) The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of

sectoral caps, conditionality's (such as minimum capitalization, etc.), reporting requirements, documentation etc.; b) The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations/guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/substantial acquisition/SEBI SAST); and Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations/guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank; and iv) where the investee company is in the financial sector provided that: a) Any 'fit and proper/due diligence' requirements as regards the non-resident investor as stipulated by the respective financial sector regulator, from time to time, have been complied with; and b) The FDI policy and FEMA regulations in terms of sectoral caps, conditionality's (such as minimum capitalization, pricing, etc.), reporting requirements, documentation etc., are complied with. As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

#### **Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. Any equity holding by a person resident outside India resulting from the conversion of any debt instrument under any arrangement shall be reckoned as a foreign investment under the composite cap.

Portfolio Investment to aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in the transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance with sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity, will not exceed the sectoral/statutory cap.

Subject to the provisions of the FDI policy, foreign investment in 'manufacturing' sector is under the automatic route. Further, a manufacturer is permitted to sell its products manufactured in India through wholesale and/or retail, including through e-commerce, without Government approval.

#### **i. Investment by FPIs under Portfolio Investment Scheme (PIS):**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10 % of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24 % of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the

Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

**ii. Investment by NRI or OCI on repatriation basis:**

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as “Capital Instruments”) of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 that is:

The total holding by any individual NRI or OCI shall not exceed 5 percent of the total paid-up equity capital on a fully diluted basis or should not exceed 5 percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10 percent of the total paid-up equity capital on a fully diluted basis or shall not exceed 10 percent of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

**iii. Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase / sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.**

**Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.**

**Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.**

**Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Draft Prospectus.**



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

The above information is given for the benefit of the Applicants. Our Company and Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

**SECTION IX- MAIN PROVISIONS OF ARTICLES OF ASSOCIATION**

Title of Article	Article Number	Content
<b>CONSTITUTION OF THE COMPANY</b>	1.	The Regulations contained in Table 'F' in 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 the regulations for the Management of the Company.
<b>INTERPRETATION CLAUSE</b>	2.	<p>The marginal notes hereto shall not affect the construction hereof. In these presents, the following words and expressions shall have the following meanings unless excluded by the subject or context:</p> <p>a. 'The Act' or 'The Companies Act' shall mean 'The Companies Act, 2013, its rules and any statutory modifications or reenactments thereof.'</p> <p>b. 'The Board' or 'The Board of Directors' means a meeting of the Directors duly called and constituted or as the case may be, the Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with these Articles.</p> <p>c. 'The Company' or 'This Company' means "<b>ASHAPURI GOLD ORNAMENT LIMITED</b>".</p> <p>d. 'Directors' means the Directors for the time being of the Company.</p> <p>e. 'Writing' includes printing, lithograph, typewriting and any other usual substitutes for writing.</p> <p>f. 'Members' means members of the Company holding a share or shares of any class.</p> <p>g. 'Month' shall mean a calendar month.</p> <p>h. 'Paid-up' shall include 'credited as fully paid-up'.</p> <p>i. 'Person' shall include any corporation as well as individual.</p> <p>j. 'These presents' or 'Regulations' shall mean these Articles of Association as now framed or altered from time to time and shall include the Memorandum where the context so requires.</p> <p>k. 'Section' or 'Sec.' means Section of the Act.</p> <p>l. Words importing the masculine gender shall include the feminine gender.</p> <p>m. Except where the context otherwise requires, words importing the singular shall include the plural and the words importing the plural shall include the singular.</p> <p>n. 'Special Resolution' means special resolution as defined by Section 114 in the Act.</p> <p>o. 'The Office' means the Registered Office for the time being of the Company.</p> <p>p. 'The Register' means the Register of Members to be kept pursuant to Section 88 of the Companies Act, 2013.</p> <p>q. 'Proxy' includes Attorney duly constituted under a Power of Attorney.</p>
	3.	Except as provided by Section 67, no part of funds of the Company shall be employed in the purchase of the shares of the Company, and the Company shall not directly or indirectly and whether by shares,

		or loans, give, guarantee, the provision of security or otherwise any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company.
	<b>4.</b>	The Authorized Share Capital of the Company shall be as prescribed in Clause V of the Memorandum of Association of the Company.
	<b>5.</b>	<p>Subject to the provisions of the Act and these Articles, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board who may allot the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of the Act) and at such terms as they may, from time to time, think fit and proper and with the sanction of the Company in General Meeting by a Special Resolution give to any person the option to call for or be allotted shares of any class of the Company, either at par, at a premium or subject as aforesaid at a discount, such option being exercisable at such times and for such consideration as the Board thinks fit unless the Company in General Meeting, by a Special Resolution, otherwise decides. Any offer of further shares shall be deemed to include a right, exercisable by the person to whom the shares are offered, to renounce the shares offered to him in favour of any other person.</p> <p>Subject to the provisions of the Act, any redeemable Preference Share, including Cumulative Convertible Preference Share may, with the sanction of an ordinary resolution be issued on the terms that they are, or at the option of the Company are liable to be redeemed or converted on such terms and in such manner as the Company, before the issue of the shares may, by special resolution, determine.</p>
	<b>6.</b>	The Company in General Meeting, by a Special Resolution, may determine that any share (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not), giving them the option to call or be allotted shares of any class of the Company either at a premium or at par or at a discount, (subject to compliance with the provisions of Section 53) such option being exercisable at such times and for such consideration as may be directed by a Special Resolution at a General Meeting of the Company or in General Meeting and may take any other provisions whatsoever for the issue, allotment or disposal of any shares.

	7.	<p>The Board may at any time increase the subscribed capital of the Company by issue of new shares out of the unissued part of the Share Capital in the original or subsequently created capital, but subject to Section 62 of the Act, and subject to the following conditions namely:</p> <p>I. (a) Such further shares shall be offered to the persons who, at the date of the offer, are holder of the equity shares of the Company in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date.</p> <p>(b) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than twenty-one days, from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.</p> <p>(c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in clause (b) shall contain a statement of this right.</p> <p>(d) After the expiry of the time specified in the notice aforesaid, or in respect of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as it thinks most beneficial to the Company.</p> <p>II. The Directors may, with the sanction of the Company in General Meeting by means of a special resolution, offer and allot shares to any person at their discretion by following the provisions of section 62 of the Act and other applicable provisions, if any.</p> <p>III. Nothing in this Article shall apply to the increase in the subscribed capital of the Company which has been approved by:</p> <p>(a) A Special Resolution passed by the Company in General Meeting before the issue of the debentures or the raising of the loans, and</p> <p>(b) The Central Government before the issue of the debentures or raising of the loans or is in conformity with the rules, if any, made by that Government in this behalf.</p>
	8.	<p>(1) The rights attached to each class of shares (unless otherwise provided by the terms of the issue of the shares of the class) may, subject to the provisions of Section 48 of the Act, be varied with the consent in writing of the holders of not less than three fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a General Meeting of the holders of the shares of that class.</p> <p>(2) To every such separate General Meeting, the provisions of these Articles relating to General Meeting shall Mutatis Mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-tenth of the issued shares of that class.</p>
<b>Issue of further shares with disproportionate rights</b>	9.	Subject to the provisions of the Act, the rights conferred upon the holders of the shares of any class issued with preferred or other rights or not, unless otherwise expressly provided for by the terms of the issue of shares of that class, be deemed to be varied by the

		creation of further shares ranking pari passu therewith.
<b>Not to issue shares with disproportionate rights</b>	<b>10.</b>	The Company shall not issue any shares (not being Preference Shares) which carry voting rights or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares not being Preference Shares.
<b>Power to pay commission</b>	<b>11.</b>	The Company may, at any time, pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any share, debenture or debenture stock of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, such commission in respect of shares shall be paid or payable out of the capital, the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission shall not exceed five percent of the price at which the shares are issued and in the case of debentures, the rate of commission shall not exceed, two and half percent of the price at which the debentures are issued. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also, on any issue of shares, pay such brokerage as may be lawful.
<b>Liability of joint holders of shares</b>	<b>12.</b>	The joint holders of a share or shares shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share or shares.
<b>Trust not recognised</b>	<b>13.</b>	Save as otherwise provided by these Articles, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by a statute required, be bound to recognise any equitable, contingent, future or partial interest lien, pledge or charge in any share or (except only by these presents otherwise provided for) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.
<b>Issue other than for cash</b>	<b>14.</b>	a. The Board may issue and allot shares in the capital of the Company as payment or part payment for any property sold or goods transferred or machinery or appliances supplied or for services rendered or to be rendered to the Company in or about the formation or promotion of the Company or the acquisition and or conduct of its business and shares may be so allotted as fully paid-up shares, and if so issued, shall be deemed to be fully paid-up shares.
		b. As regards all allotments, from time to time made, the Board shall duly comply with Section 39 of the Act.
<b>Acceptance of shares</b>	<b>15.</b>	An application signed by or on behalf of the applicant for shares in the Company, followed by an allotment of any share therein, shall be acceptance of the shares within the meaning of these Articles; and every person who thus or otherwise accepts any share and whose name is on the Register shall, for the purpose of these Articles, be a shareholder.

<b>Member' right to share Certificates</b>	<b>16.</b>	<p>1. Every person whose name is entered as a member in the Register shall be entitled to receive without payment:</p> <p>a. One certificate for all his shares; or</p> <p>b. Share certificate shall be issued in marketable lots, where the share certificates are issued either for more or less than the marketable lots, sub-division/consolidation into marketable lots shall be done free of charge.</p> <p>2. The Company shall, within two months after the allotment and within fifteen days after application for registration of the transfer of any share or debenture, complete and have it ready for delivery; the share certificates for all the shares and debentures so allotted or transferred unless the conditions of issue of the said shares otherwise provide.</p> <p>3. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.</p> <p>4. The certificate of title to shares and duplicates thereof when necessary shall be issued under the seal of the Company and signed by two Directors and the Secretary or authorised official(s) of the Company.</p>
<b>One Certificate for joint holders</b>	<b>17.</b>	<p>In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate for the same share or shares and the delivery of a certificate for the share or shares to one of several joint holders shall be sufficient delivery to all such holders. Subject as aforesaid, where more than one share is so held, the joint holders shall be entitled to apply jointly for the issue of several certificates in accordance with Article 20 below.</p>
<b>Renewal of Certificate</b>	<b>18.</b>	<p>If a certificate be worn out, defaced, destroyed, or lost or if there is no further space on the back thereof for endorsement of transfer, it shall, if requested, be replaced by a new certificate without any fee, provided however that such new certificate shall not be given except upon delivery of the worn out or defaced or used up certificate, for the purpose of cancellation, or upon proof of destruction or loss, on such terms as to evidence, advertisement and indemnity and the payment of out of pocket expenses as the Board may require in the case of the certificate having been destroyed or lost. Any renewed certificate shall be marked as such in accordance with the provisions of the act in force.</p>
	<b>19.</b>	<p>For every certificate issued under the last preceding Article, no fee shall be charged by the Company.</p>
<b>Splitting and consolidation of Share Certificate</b>	<b>20.</b>	<p>The shares of the Company will be split up/consolidated in the following circumstances:</p> <p>(i) At the request of the member/s for split up of shares in marketable lot.</p> <p>(ii) At the request of the member/s for consolidation of fraction shares into marketable lot.</p>
<b>Directors may issue new Certificate(s)</b>	<b>21.</b>	<p>Where any share under the powers in that behalf herein contained are sold by the Directors and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares</p>

		distinguishing it in such manner as they think fit from the certificate not so delivered up.
<b>Person by whom installments are payable</b>	<b>22.</b>	If, by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment, shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative or representatives, if any.
<b>LIEN Company's lien on shares</b>	<b>23.</b>	The Company shall have first and paramount lien upon all shares other than fully paid-up shares registered in the name of any member, either or jointly with any other person, and upon the proceeds or sale thereof for all moneys called or payable at a fixed time in respect of such shares and such lien shall extend to all dividends from time to time declared in respect of such shares. But the Directors, at any time, may declare any share to be exempt, wholly or partially from the provisions of this Article. Unless otherwise agreed, the registration of transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.
<b>As to enforcing lien by sale</b>	<b>24.</b>	For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as it thinks fit, but no sale shall be made until the expiration of 14 days after a notice in writing stating and demanding payment of such amount in respect of which the lien exists has been given to the registered holders of the shares for the time being or to the person entitled to the shares by reason of the death of insolvency of the register holder.
<b>Authority to transfer</b>	<b>25.</b>	a. To give effect to such sale, the Board of Directors may authorise any person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer. b. The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.
<b>Application of proceeds of sale</b>	<b>26.</b>	The net proceeds of any such sale shall be applied in or towards satisfaction of the said moneys due from the member and the balance, if any, shall be paid to him or the person, if any, entitled by transmission to the shares on the date of sale.
<b>Calls On Shares Calls</b>	<b>27.</b>	Subject to the provisions of Section 49 of the Act, the Board of Directors may, from time to time, make such calls as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and the member shall pay the amount of every call so made on him to the person and at the time and place appointed by the Board of Directors.
<b>When call deemed to have been made</b>	<b>28.</b>	A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed. The Board of Directors making a call may by resolution determine that the call shall be deemed to be made on a date subsequent to the date of the resolution, and in the absence of such a provision, a call shall be deemed to have been made on the same date as that of the resolution of the Board of Directors making such calls.

<b>Length of Notice of call</b>	<b>29.</b>	Not less than thirty day's notice of any call shall be given specifying the time and place of payment provided that before the time for payment of such call, the Directors may, by notice in writing to the members, extend the time for payment thereof.
<b>Sum payable in fixed instalments to be deemed calls</b>	<b>30.</b>	If by the terms of issue of any share or otherwise, any amount is made payable at any fixed times, or by instalments at fixed time, whether on account of the share or by way of premium, every such amount or instalment shall be payable as if it were a call duly made by the Directors, on which due notice had been given, and all the provisions herein contained in respect of calls shall relate and apply to such amount or instalment accordingly.
<b>When interest on call or instalment payable</b>	<b>31.</b>	If the sum payable in respect of any call or, instalment be not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the instalment shall fall due, shall pay interest for the same at the rate of 12 percent per annum, from the day appointed for the payment thereof to the time of the actual payment or at such lower rate as the Directors may determine. The Board of Directors shall also be at liberty to waive payment of that interest wholly or in part.
<b>Sums payable at fixed times to be treated as calls</b>	<b>32.</b>	The provisions of these Articles as to payment of interest shall apply in the case of non-payment of any such sum which by the terms of issue of a share, become payable at a fixed time, whether on account of the amount of the share or by way of premium, as if the same had become payable by virtue of a call duly made and notified.
<b>Payment of call in advance</b>	<b>33.</b>	The Board of Directors, may, if it thinks fit, receive from any member willing to advance all of or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any part of the moneys so advance may (until the same would, but for such advance become presently payable) pay interest at such rate as the Board of Directors may decide but shall not in respect of such advances confer a right to the dividend or participate in profits.
<b>Partial payment not to preclude forfeiture</b>	<b>34.</b>	Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from, time to time, be due from any member in respect of any share, either by way of principal or interest nor any indulgency 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 herein after provided.
<b>FORFEITURE OF SHARES</b>  <b>If call or installment not paid, notice may be given</b>	<b>35.</b>	If a member fails to pay any call or instalment of a call on the day appointed for the payment not paid thereof, the Board of Directors may during such time as any part of such call or instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest, which may have accrued. The Board may accept in the name and for the benefit of the Company and upon such terms and conditions as may be agreed upon, the surrender of any share liable to forfeiture and so far as the law permits of any other share.



<b>Evidence action by Company against shareholders</b>	<b>36.</b>	On the trial or hearing of any action or suit brought by the Company against any shareholder or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of shareholders of the Company as a holder, or one of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any 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 was duly convened or constituted nor any other matter whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.
<b>Form of Notice</b>	<b>37.</b>	The notice shall name a further day (not earlier than the expiration 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 shall state that, in the event of non-payment on or before the day appointed, the shares in respect of which the call was made will be liable to be forfeited.
<b>If notice not complied with, shares may be forfeited</b>	<b>38.</b>	If the requirements of any such notice as, aforementioned are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
<b>Notice after forfeiture</b>	<b>39.</b>	When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture shall not be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
<b>Boards' right to dispose of forfeited shares or cancellation of forfeiture</b>	<b>40.</b>	A forfeited or surrendered share may be sold or otherwise disposed off on such terms and in such manner as the Board may think fit, and at any time before such a sale or disposal, the forfeiture may be cancelled on such terms as the Board may think fit.
<b>Liability after forfeiture</b>	<b>41.</b>	A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding such forfeiture, remain liable to pay and shall forthwith pay the Company all moneys, which at the date of forfeiture is payable by him to the Company in respect of the share, whether such claim be barred by limitation on the date of the forfeiture or not, but his liability shall cease if and when the Company received payment in full of all such moneys due in respect of the shares.
<b>Effect of forfeiture</b>	<b>42.</b>	The forfeiture of a share shall involve in the extinction of all interest in and also of all claims and demands against the Company in respect of the shares and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.
<b>Evidence of forfeiture</b>	<b>43.</b>	A duly verified declaration in writing that the declarant is a Director

		of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and that declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposal thereof, shall constitute a good title to the share and the person to whom the share is sold or disposed of shall be registered as the holder of the share and 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.
<b>Non-payment of sums payable at fixed times</b>	<b>44.</b>	The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which by terms of issue of a share, becomes payable at a fixed time, whether, on account of the amount of the share or by way of premium or otherwise as if the same had been payable by virtue of a call duly made and notified.
<b>Validity of such sales</b>	<b>45.</b>	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Directors may cause the purchaser's name to be entered in the register in respect of the shares sold and may issue fresh certificate in the name of such a purchaser. The purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
<b>TRANSFER AND TRANSMISSION OF SHARES</b>  <b>Transfer</b>	<b>46.</b>	<p>a. The instrument of transfer of any share in the Company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in respect thereof.</p> <p>b. The Board shall not register any transfer of shares unless a proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the Company along with the certificate and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares. Provided that where it is proved to the satisfaction of the Board that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Board thinks fit, on an application on such terms in writing made by the transferee and bearing the stamp required for an instrument of transfer, register the transfer on such terms as to indemnity as the Board may think fit.</p> <p>c. An application for the registration of the transfer of any share or shares may be made either by the transferor or the transferee, provided that where such application is made by the transferor, no registration shall, in the case of partly paid shares, be effected unless the Company gives notice of the application to the transferee. The Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the</p>

		<p>same conditions as if the application for registration was made by the transferee.</p> <p>d. For the purpose of Sub-clause (c), notice to the transferee shall be deemed to have been duly given if despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be delivered in the ordinary course of post.</p> <p>e. Nothing in Sub-clause (d) shall prejudice any power of the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of law.</p>
<b>Form of transfer</b>	<b>47.</b>	<p>Shares in the Company shall be transferred by an instrument in writing in such common form as specified in Section 56 of the Companies Act.</p>
<b>Board's right to refuse to register</b>	<b>48.</b>	<p>a. The Board, may, at its absolute discretion and without assigning any reason, decline to register</p> <ol style="list-style-type: none"> <li>1. The transfer of any share, whether fully paid or not, to a person of whom it do not approve or</li> <li>2. Any transfer or transmission of shares on which the Company has a lien</li> </ol> <p>a. Provided that registration of any transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on the shares.</p> <p>b. If the Board refuses to register any transfer or transmission of right, it shall, within fifteen days from the date of which the instrument or transfer of the intimation of such transmission was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be.</p> <p>c. In case of such refusal by the Board, the decision of the Board shall be subject to the right of appeal conferred by Section 58.</p> <p>d. The provisions of this clause shall apply to transfers of stock also.</p>

<p><b>Further right of Board of Directors to refuse to register</b></p>	<p><b>49.</b></p>	<p>a. The Board may, at its discretion, decline to recognise or accept instrument of transfer of shares unless the instrument of transfer is in respect of only one class of shares.</p> <p>b. No fee shall be charged by the Company for registration of transfers or for effecting transmission on shares on the death of any member or for registering any letters of probate, letters of administration and similar other documents.</p> <p>c. Notwithstanding anything contained in Sub-articles (b) and (c) of Article 46, the Board may not accept applications for sub-division or consolidation of shares into denominations of less than hundred (100) except when such a sub-division or consolidation is required to be made to comply with a statutory order or an order of a competent Court of Law or a request from a member to convert his holding of odd lots, subject however, to verification by the Company.</p> <p>d. The Directors may not accept applications for transfer of less than 100 equity shares of the Company, provided however, that these restrictions shall not apply to:</p> <p>i. Transfer of equity shares made in pursuance of a statutory order or an order of competent court of law.</p> <p>ii. Transfer of the entire equity shares by an existing equity shareholder of the Company holding less than hundred (100) equity shares by a single transfer to joint names.</p> <p>iii. Transfer of more than hundred (100) equity shares in favour of the same transferee under one or more transfer deeds, one or more of them relating to transfer of less than hundred (100) equity shares.</p> <p>iv. Transfer of equity shares held by a member which are less than hundred (100) but which have been allotted to him by the Company as a result of Bonus and/or Rights shares or any shares resulting from Conversion of Debentures.</p> <p>v. The Board of Directors be authorised not to accept applications for sub-division or consolidation of shares into denominations of less than hundred (100) except when such sub-division or consolidation is required to be made to comply with a statutory order of a Court of Law or a request from a member to convert his holding of odd lots of shares into transferable/marketable lots, subject, however, to verification by the Company.</p> <p>Provided that where a member is holding shares in lots higher than the transferable limit of trading and transfers in lots of transferable unit, the residual shares shall be permitted to stand in the name of such transferor notwithstanding that the residual holding shall be below hundred (100).</p>
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<b>Rights to shares on death of a member for transmission</b>	<b>50.</b>	<p>a. In the event of death of any one or more of several joint holders, the survivor, or survivors, alone shall be entitled to be recognised as having title to the shares.</p> <p>b. In the event of death of any sole holder or of the death of last surviving holder, the executors or administrators of such holder or other person legally entitled to the shares shall be entitled to be recognised by the Company as having title to the shares of the deceased.</p> <p>Provided that on production of such evidence as to title and on such indemnity or other terms as the Board may deem sufficient, any person may be recognised as having title to the shares as heir or legal representative of the deceased shareholder.</p> <p>Provided further that if the deceased shareholder was a member of a Hindu Joint Family, the Board, on being satisfied to that effect and on being satisfied that the shares standing in his name in fact belonged to the joint family, may recognise the survivors of Karta thereof as having titles to the shares registered in the name of such member.</p> <p>Provided further that in any case, it shall be lawful for the Board in its absolute discretion, to dispense with the production of probate or letters of administration or other legal representation upon such evidence and such terms as to indemnity or otherwise as the Board may deem just.</p>
<b>Rights and liabilities of person</b>	<b>51.</b>	<p>1. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time be required by the Board and subject as herein, after provided elect either</p> <p>a. to be registered himself as a holder of the share or</p> <p>b. to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>2. 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.</p>
<b>Notice by such a person of his election</b>	<b>52.</b>	<p>a. If the person so becoming entitled shall elect to be registered as holder of the shares himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.</p> <p>b. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>c. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer had been signed by that member.</p>
<b>No transfer to infant, etc.</b>	<b>53.</b>	No transfer shall be made to an infant or a person of unsound mind.
<b>Endorsement of transfer and issue of certificate</b>	<b>54.</b>	Every endorsement upon the certificate of any share in favour of any transferee shall be signed by the Secretary or by some person for the time being duly authorised by the Board in that behalf.
<b>Custody of transfer</b>	<b>55.</b>	The instrument of transfer shall, after registration, remain in the

		custody of the Company. The Board may cause to be destroyed all transfer deeds lying with the Company for a period of ten years or more.
<b>Register of members</b>	<b>56.</b>	<p><b>Register of members</b></p> <p>a. The Company shall keep a book to be called the Register of Members, and therein shall be entered the particulars of every transfer or transmission of any share and all other particulars of shares required by the Act to be entered in such Register.</p> <p><b>Closure of Register of memers</b></p> <p>b. The Board may, after giving not less than seven days previous notice by advertisement in some newspapers circulating in the district in which the Registered Office of the Company is situated, close the Register of Members or the Register of Debenture Holders for any period or periods not exceeding in the aggregate forty-five days in each year but not exceeding thirty days at any one time.</p> <p><b>When instruments of transfer to be retained</b></p> <p>c. All instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Directors may decline to register shall be returned to the person depositing the same.</p>
<b>Company's right to register transfer by apparent legal owner</b>	<b>57.</b>	The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right or title or interest prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound by or required to regard or attend to 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 the books of the Company; but the Company shall nevertheless be at liberty to have regard and to attend to any such notice and give effect thereto, if the Board shall so think fit.

<b>Alteration Of Capital</b>	<b>58.</b>	<p><b>Alteration and consolidation, sub-division and cancellation of shares</b></p> <p>a. The Company may, from time to time, in accordance with the provisions of the Act, alter by Ordinary Resolution, the conditions of the Memorandum of Association as follows:</p> <ol style="list-style-type: none"> <li>1. increase its share capital by such amount as it thinks expedient by issuing new shares;</li> <li>2. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</li> <li>3. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of the denomination;</li> <li>4. sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division on the proportion between the amount paid and the amount, if any, unpaid, on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived.</li> <li>5. a. Cancel shares which, at the date of passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.</li> <li>b. The resolution whereby any share is sub-divided may determined that, as between the holder of the shares resulting from such sub-division, one or more such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others.</li> <li>6. Classify and reclassify its share capital from the shares on one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner as may for the time being be permitted under legislative provisions for the time being in force in that behalf.</li> </ol>
<b>Reduction of capital, etc. by Company</b>	<b>59.</b>	<p>The Company may, by Special Resolution, reduce in any manner with and subject to any incident authorised and consent as required by law:</p> <ol style="list-style-type: none"> <li>a. its share capital;</li> <li>b. any capital redemption reserve account; or</li> <li>c. any share premium account.</li> </ol>
<b>Surrender of shares</b>	<b>60.</b>	<p>The Directors may, subject to the provisions of the Act, accept the surrender of any share by way of compromise of any question as to the holder being properly registered in respect thereof.</p>
<b>Modification Of Rights</b>	<b>61.</b>	<p><b>Power of modify shares</b></p> <p>The rights and privileges attached to each class of shares may be modified, commuted, affected, abrogated in the manner provided in Section 48 of the Act.</p>
<b>Set-off of moneys due to shareholders</b>	<b>62.</b>	<p>Any money due from the Company to a shareholder may, without the consent of such shareholder, be applied by the Company in or towards payment of any money due from him, either alone or jointly with any other person, to the Company in respect of calls.</p>

<b>Conversion of shares into Stock</b>	<b>63.</b>	<b>Conversion of shares</b> The Company may, by Ordinary Resolution, convert all or any fully paid share(s) of any denomination into stock and vice versa.
<b>Transfer of stock</b>	<b>64.</b>	The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations, under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
<b>Right of stockholders</b>	<b>65.</b>	The holders of the stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and its assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
<b>Applicability of regulations to stock and stockholders</b>	<b>66.</b>	Such of the regulations contained in these presents, other than those relating to share warrants as are applicable to paid-up shares shall apply to stock and the words shares and shareholder in these presents shall include stock and stockholder respectively.
<b>Dematerialisation Of Securities</b>	<b>67.</b>	<p><b>a) Definitions</b> For the purpose of this Article: ‘Beneficial Owner’ means a person or persons whose name is recorded as such with a depository; ‘SEBI’ means the Securities and Exchange Board of India; ‘Depository’ means a company formed and registered under the Companies Act, 2013, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992, and ‘Security’ means such security as may be specified by SEBI from time to time.</p> <p><b>b) Dematerialisation of securities</b> Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.</p> <p><b>c) Options for investors</b> Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person, who is the beneficial owner of the securities, can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the</p>



	<p>depository shall enter in its record the name of the allottee as the beneficial owner of the security.</p> <p><b>d) Securities in depositories to be in fungible form</b>  All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.</p> <p><b>e) Rights of depositories and beneficial owners:</b></p> <p>(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.</p> <p>(ii) Save as otherwise provided in (a) above, the depository, as the registered owner of the securities, shall not have any voting rights or any other rights in respect of the securities held by it.</p> <p>(iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.</p> <p><b>f) Service of documents</b>  Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.</p> <p><b>g) Transfer of securities</b>  Nothing contained in Section 56 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.</p> <p><b>h) Allotment of securities dealt with in a depository</b>  Notwithstanding anything in the Act or these Articles, where securities are dealt with in a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.</p> <p><b>i) Distinctive numbers of securities held in a depository</b>  Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers of securities issued by the Company shall apply to securities held in a depository.</p> <p><b>j) Register and Index of Beneficial owners</b>  The Register and Index of Beneficial Owners, maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security Holders for the purposes of these Articles.</p> <p><b>k) Company to recognise the rights of registered holders as also the beneficial owners in the records of the depository</b>  Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as</p>
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		the holder of any share, as also the beneficial owner of the shares in records of the depository as the absolute owner thereof as regards receipt of dividends or bonus or services of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person, whether or not it shall have express or implied notice thereof.
<b>General Meetings</b>	<b>68.</b>	<b>Annual General Meeting</b> The Company shall in each year hold in addition to the other meetings a general meeting which shall be styled as its Annual General Meeting at intervals and in accordance with the provisions of Section 96 of the Act.
<b>Extraordinary General Meeting</b>	<b>69.</b>	<b>Extraordinary General Meeting</b> 1. Extraordinary General Meetings may be held either at the Registered Office of the Company or at such convenient place as the Board or the Managing Director (subject to any directions of the Board) may deem fit. <b>Right to summon Extraordinary General Meeting</b> 2. The Chairman or Vice Chairman may, whenever they think fit, and shall if so directed by the Board, convene an Extraordinary General Meeting at such time and place as may be determined.
<b>Extraordinary Meeting requisition by</b>	<b>70.</b>	a. The Board shall, on the requisition of such number of members of the Company as is specified below, proceed duly to call an Extraordinary General Meeting of the Company and comply with the provisions of the Act in regard to meetings on requisition. b. The requisition shall set out matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company or sent to the Company by Registered Post addressed to the Company at its Registered Office. c. The requisition may consist of several documents in like forms, each signed by one or more requisitionists. d. The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold, on the date of the deposit of the requisition, not less than 1/10th of such of the paid-up capital of the Company as at the date carries the right of the voting in regard to the matter set out in the requisition. e. If the Board does not, within 21 days from the date of receipt of deposit of the requisition with regard to any matter, proceed duly to call a meeting for the consideration of these matters on a date not later than 45 days from the date of deposit of the requisition, the meeting may be called by the requisitionists themselves or such of the requisitionists, as represent either majority in the value of the paid-up share capital held by them or of not less than one tenth of such paid-up capital of the Company as is referred to in Sub-clause (d) above, whichever is less.

<b>Length of notice for calling meeting</b>	71.	<p>A General Meeting of the Company may be called by giving not less than twenty one days notice in writing, provided that a General Meeting may be called after giving shorter notice if consent thereto is accorded by the members holding not less than 95 per cent of the part of the paid- up share capital which gives the right to vote on the matters to be considered at the meeting.</p> <p>Provided that where any member of the Company is entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members, shall be taken into account for purpose of this clause in respect of the former resolution or resolutions and not in respect of the latter.</p>
<b>Accidental omission to give notice not to invalidate meeting</b>	72.	<p>The accidental omission is to give notice of any meeting to or the non-receipt of any such notice by any of the members shall not invalidate the proceedings of any resolution passed at such meeting.</p>
<b>Special business and statement to be annexed</b>	73.	<p>All business shall be deemed special that is transacted at an Extraordinary Meeting and also that is transacted at an Annual Meeting with the exception of declaration of a dividend, the consideration of financial statements and the reports of the Directors and Auditors thereon, the election of the Directors in the place of those retiring, and the appointment of and the fixing of the remuneration of Auditors. Where any item of business to be transacted at the meeting is deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular the nature of the concern or interest, if any, therein, of every Director and the Manager, if any, every other Key Managerial Personnel and the relatives of Directors, Manager and other Key Managerial Personnel. Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.</p> <p>Where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two per cent of the paid-up share capital of that company, also be set out in the statement.</p>
<b>Quorum</b>	74.	<p>The quorum requirements for general meetings shall be as under and no business shall be transacted at any General Meeting unless the requisite quorum is present when the meeting proceeds to business:</p> <p>Number of members upto 1000: 5 members personally present  Number of members 1000-5000: 15 members personally present  Number of members more than 5000: 30 members personally present</p>
<b>If quorum not present, when meeting to be dissolved and when to be adjourned</b>	75.	<p>If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week and at the same time and place or to such other day and to be at such other time and place as</p>

		the Board may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.
<b>Chairman of General Meeting</b>	<b>76.</b>	The Chairman of the Board of Directors shall preside at every General Meeting of the Company and if he is not present within 15 minutes after the time appointed for holding the meeting, or if he is unwilling to act as Chairman, the Vice Chairman of the Board of Directors shall preside over the General Meeting of the Company.
<b>When Chairman is absent</b>	<b>77.</b>	If there is no such Chairman, or Vice Chairman or if at any General Meeting, either the Chairman or Vice Chairman is not present within fifteen minutes after the time appointed for holding the meeting or if they are unwilling to take the chair, the members present shall choose one of their members to be the Chairman.
<b>Adjournment of meeting</b>	<b>78.</b>	The Chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn that meeting from time to time from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. 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. Save as aforesaid, it shall not be necessary to give any notice of adjournment or of the business to be transacted at an adjourned meeting.
<b>Questions at General Meeting how decided</b>	<b>79.</b>	At a General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands/result of electronic voting as per the provisions of Section 108, unless a poll is (before or on the declaration of the result of the show of hands/ electronic voting) demanded in accordance with the provisions of Section 109. Unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands/ electronic voting, been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number of proportion of the votes recorded in favour of or against that resolution.
<b>Casting vote</b>	<b>80.</b>	In the case of an equality of votes, the Chairman shall, whether on a show of hands, or electronically or on a poll, as the case may be, have a casting vote in addition to the vote or votes to which he may be entitled as a member.
<b>Taking of poll</b>	<b>81.</b>	If a poll is duly demanded in accordance with the provisions of Section 109, it shall be taken in such manner as the Chairman, subject to the provisions of Section 109 of the Act, may direct, and the results of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.
<b>In what cases poll taken without adjournment</b>	<b>82.</b>	A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. Where a poll is demanded on any other question, adjournment shall be taken at such time not being later than forty-eight hours from the time which demand was made, as the Chairman may direct.

<b>Votes</b>	<b>83.</b>	<p>a. Every member of the Company holding Equity Share(s), shall have a right to vote in respect of such capital on every resolution placed before the Company. On a show of hands, every such member present shall have one vote and shall be entitled to vote in person or by proxy and his voting right on a poll or on e-voting shall be in proportion to his share of the paid-up Equity Capital of the Company.</p> <p>b. Every member holding any Preference Share shall in respect of such shares have a right to vote only on resolutions which directly affect the rights attached to the Preference Shares and subject as aforesaid, every such member shall in respect of such capital be entitled to vote in person or by proxy, if the dividend due on such preference shares or any part of such dividend has remained unpaid in respect of an aggregate period of not less than two years preceding the date of the meeting. Such dividend shall be deemed to be due on Preference Shares in respect of any period, whether a dividend has been declared by the Company for such period or not, on the day immediately following such period.</p> <p>c. Whenever the holder of a Preference Share has a right to vote on any resolution in accordance with the provisions of this article, his voting rights on a poll shall be in the same proportion as the capital paid-up in respect of such Preference Shares bear to the total equity paid-up capital of the Company.</p>
<b>Business may proceed notwithstanding demand for poll</b>	<b>84.</b>	A demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which a poll has been demanded; The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
<b>Joint holders</b>	<b>85.</b>	In the case of joint holders, the vote of the first named of such joint holders who tender a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
<b>Member of unsound mind</b>	<b>86.</b>	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.
<b>No member entitled to vote while call due to Company</b>	<b>87.</b>	No member shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
<b>Proxies permitted on polls</b>	<b>88.</b>	On a poll, votes may be given either personally or by proxy provided that no Company shall vote by proxy as long as resolution of its Directors in accordance with provisions of Section 113 is in force.
<b>Instrument of proxy</b>	<b>89.</b>	<p>a. The instrument appointing a proxy shall be in writing under the hand of the appointed or of the attorney duly authorised in writing, or if the appointer is a Corporation, either under the common seal or under the hand of an officer or attorney so authorised. Any person may act as a proxy whether he is a member or not.</p> <p>b. A body corporate (whether a company within the meaning of this Act or not) may:</p>

		<p>1. If it is a member of the Company by resolution of its Board of Directors or other governing body, authorise such persons as it thinks fit to act as its representatives at any meeting of the Company, or at any meeting of any class of members of the Company;</p> <p>2. If it is a creditor (including a holder of debentures) of the Company, by resolution of its Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of any creditors of the Company held in pursuance of this Act or of any rules made thereunder, or in pursuance of the provisions contained in any debenture or trust deed, as the case may be.</p> <p>c. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents, as if he were personally the member, creditor or debenture holder.</p>
<b>Instrument of proxy to be deposited at the office</b>	<b>90.</b>	The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notary certified copy of that power of authority shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote, and in default, the instrument of proxy shall not be treated as valid.
<b>Validity of vote by proxy</b>	<b>91.</b>	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the appointer, or revocation of the proxy, or transfer of the share in respect of which the vote is given provided no intimation in writing of the death, revocation or transfer shall have been received at the Registered Office of the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.
<b>Form of proxy</b>	<b>92.</b>	Any instrument appointing a proxy may be a two way proxy form to enable the shareholders to vote for or against any resolution at their discretion. The instrument of proxy shall be in the prescribed form as given in Form MGT-11.
<b>DIRECTORS</b>	<b>93.</b>	<p><b>Number of Directors</b> Unless otherwise determined by a General Meeting, the number of Directors shall not be less than 3 and not more than 15.</p> <p><b>a) Board of Directors</b> The First Directors of the Company are;  <b>1. Mr. Dinesh Saremal Soni</b>  <b>2. Mr. Jitendra Saremal Soni</b></p> <p><b>b) Same individual may be appointed as Chairperson and Managing Director / Chief Executive Office</b> The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive of the Company</p>
	<b>94.</b>	Subject to the provisions of the Act as may be applicable, the Board may appoint any person as a Managing Director to perform such functions as the Board may decide from time to time. Such Director

		shall be a Member of the Board.
<b>Qualification of Directors</b>	<b>95.</b>	Any person, whether a member of the Company or not, may be appointed as a Director. No qualification by way of holding shares in the capital of the Company shall be required of any Director.
<b>Director's remuneration</b>	<b>96.</b>	<p>a. Until otherwise determined by the Company in General Meeting, each Director shall be entitled to receive and be paid out of the funds of the Company a fee for each meeting of the Board of Directors or any committee thereof, attended by him as may be fixed by the Board of Directors from time to time subject to the provisions of Section 197 of the Act, and the Rules made thereunder. For the purpose of any resolution in this regard, none of the Directors shall be deemed to be interested in the subject matter of the resolution. The Directors shall also be entitled to be paid their reasonable travelling and hotel and other expenses incurred in consequence of their attendance at meetings of the Board or of any committee of the Board or otherwise in the execution of their duties as Directors either in India or elsewhere. The Managing/Whole-time Director of the Company who is a full time employee, drawing remuneration will not be paid any fee for attending Board Meetings.</p> <p>b. Subject to the provisions of the Act, the Directors may, with the sanction of a Special Resolution passed in the General Meeting and such sanction, if any, of the Government of India as may be required under the Companies Act, sanction and pay to any or all the Directors such remuneration for their services as Directors or otherwise and for such period and on such terms as they may deem fit.</p> <p>c. Subject to the provisions of the Act, the Company in General Meeting may by Special Resolution sanction and pay to the Director in addition to the said fees set out in sub-clause (a) above, a remuneration not exceeding one per cent (1%) of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act. The said amount of remuneration so calculated shall be divided equally between all the Directors of the Company who held office as Directors at any time during the year of account in respect of which such remuneration is paid or during any portion of such year irrespective of the length of the period for which they held office respectively as such Directors.</p> <p>d. Subject to the provisions of Section 188 of the Companies Act, and subject to such sanction of the Government of India, as may be required under the Companies Act, if any Director shall be appointed to advise the Directors as an expert or be called upon to perform extra services or make special exertions for any of the purposes of the Company, the Directors may pay to such Director such special remuneration as they think fit; such remuneration may be in the form of either salary, commission, or lump sum and may either be in addition to or in substitution of the remuneration specified in clause (a) of the Article.</p>
<b>Directors may act notwithstanding vacancy</b>	<b>97.</b>	The continuing Directors may act notwithstanding any vacancy in their body, but subject to the provisions contained in Article 119 below:

<b>Chairman or Vice-chairman of the Board</b>	<b>98.</b>	<p>a. Notwithstanding anything contained in these Articles and pursuant to provisions of the Act, Managing Director of the company will act as Chairman of the board and Deputy Managing Director will act as Vice chairman of the board.</p> <p>b. Subject to the provisions of the Act, the Chairman and the Vice Chairman may be paid such remuneration for their services as Chairman and Vice Chairman respectively, and such reasonable expenses including expenses connected with travel, secretarial service and entertainment, as may be decided by the Board of Directors from time to time.</p>
<b>Casual vacancy</b>	<b>99.</b>	<p>If the office of any Director becomes vacant before the expiry of the period of his Directorship in normal course, the resulting casual vacancy may be filled by the Board at a Meeting of the Board subject to Section 161 of the Act. Any person so appointed shall hold office only upto the date which the Director in whose place he is appointed would have held office if the vacancy had not occurred as aforesaid.</p>
<b>VACATION OF OFFICE BY DIRECTORS</b>	<b>100.</b>	<p>The office of a Director shall be vacated if:</p> <ol style="list-style-type: none"> <li>1. he is found to be unsound mind by a Court of competent jurisdiction;</li> <li>2. he applies to be adjudicated as an insolvent;</li> <li>3. he is an undischarged insolvent;</li> <li>4. he is convicted by a Court of any offence whether involving moral turpitude or otherwise and is sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;</li> <li>5. he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call;</li> <li>6. an order disqualifying him for appointment as Director has been passed by court or tribunal and the order is in force.</li> <li>7. he has not complied with Subsection (3) of Section 152</li> <li>8. he has been convicted of the offence dealing with related party transaction under section 188 at any time during the preceding five years.</li> <li>9. he absents himself from all meetings of the Board for a continuous period of twelve months, with or without seeking leave of absence from the Board;</li> <li>10. he acts in contravention of Section 184 of the Act and fails to disclose his interest in a contract in contravention of section 184.</li> <li>11. he becomes disqualified by an order of a court or the Tribunal</li> <li>12. he is removed in pursuance of the provisions of the Act,</li> <li>13. having been appointed a Director by virtue of holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;</li> </ol> <p>notwithstanding anything in Clause (4), (6) and (8) aforesaid, the disqualification referred to in those clauses shall not take effect:</p> <ol style="list-style-type: none"> <li>1. for thirty days from the date of the adjudication, sentence or order;</li> <li>2. where any appeal or petition is preferred within the thirty days</li> </ol>



		<p>aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed off; or</p> <p>3. where within the seven days as aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed off.</p>
<b>Alternate Directors</b>	<b>101.</b>	<p>(a) The Board may appoint an Alternate Director to act for a Director hereinafter called in this clause “the Original Director” during his absence for a period of not less than 3 months from India.</p> <p>(b) An Alternate Director appointed as aforesaid shall vacate office if and when the Original Director returns to India.</p> <p><b>Independent Directors</b></p> <p>(c) (i) The Directors may appoint such number of Independent Directors as are required under Section 149 of the Companies Act, 2013 or clause 49 of Listing Agreement, whichever is higher, from time to time.</p> <p>(ii) Independent directors shall possess such qualification as required under Section 149 of the companies Act, 2013 and clause 49 of Listing Agreement</p> <p>(iii) Independent Director shall be appointed for such period as prescribed under relevant provisions of the companies Act, 2013 and Listing Agreement and shall not be liable to retire by rotation.</p> <p><b>Women Director</b></p> <p>(d) The Directors shall appoint one women director as per the requirements of section 149 of the Act.</p> <p><b>Key Managerial Personnel</b></p> <p>(e) Subject to the provisions of the Act,—</p> <p>(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</p> <p>(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>(iii) The Managing Director shall act as the Chairperson of the Company for all purposes subject to the provisions contained in the Act and these articles.</p>
<b>Additional Directors</b>	<b>102.</b>	<p>The Directors may, from time to time, appoint a person as an Additional Director provided that the number of Directors and Additional Directors together shall not exceed the maximum number of Directors fixed under Article 93 above. Any person so appointed as an Additional Director shall hold office upto the date of the next Annual General Meeting of the Company.</p> <p><b>Proportion of retirement by rotation</b></p> <p>a. The proportion of directors to retire by rotation shall be as per the provisions of Section 152 of the Act.</p>
<b>Debenture</b>	<b>103.</b>	Any trust deed for securing debentures or debenture-stocks may, if

		<p>so arranged, provide for the appointment, from time to time, by the Trustees thereof or by the holders of debentures or debenture-stocks, of some person to be a Director of the Company and may empower such Trustees, holder of debentures or debenture-stocks, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as “Debenture Director” and the term “Debenture Director” means the Director for the time being in office under this Article. The Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any other provisions herein contained.</p>
<p><b>Corporation/Nominee Director</b></p>	<p><b>104.</b></p>	<p>a. Notwithstanding anything to the contrary contained in the Articles, so long as any moneys remain owing by the Company the any finance corporation or credit corporation or body, (herein after in this Article referred to as “The Corporation”) out of any loans granted by them to the Company or as long as any liability of the Company arising out of any guarantee furnished by the Corporation, on behalf of the Company remains defaulted, or the Company fails to meet its obligations to pay interest and/or instalments, the Corporation shall have right to appoint from time to time any person or person as a Director or Directors (which Director or Directors is/are hereinafter referred to as “Nominee Director(s)”) on the Board of the Company and to remove from such office any person so appointed, any person or persons in his or their place(s).</p> <p>b. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s as long as such default continues. Such Nominee Director/s shall not be required to hold any share qualification in the Company, and such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.</p> <p>The Nominee Director/s appointed shall hold the said office as long as any moneys remain owing by the Company to the Corporation or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.</p> <p>The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, and of the Meeting of the Committee of which the Nominee Director/s is/are member/s.</p> <p>The Corporation shall also be entitled to receive all such notices. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Director/s of the Company are entitled,</p>

		<p>but if any other fee, commission, monies or remuneration in any form is payable to the Director/s of the Company, the fee, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment to Directorship shall also be paid or reimbursed by the Company to the Corporation or, as the case may be, to such Nominee Director/s. Provided that if any such Nominee Director/s is an officer of the Corporation, the sitting fees, in relation to such Nominee Director/s shall so accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.</p> <p>c. The Corporation may at any time and from time to time remove any such Corporation Director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as a Corporation Director in his place. Such appointment or removal shall be made in writing signed by the Chairman or Joint Chairman of the Corporation or any person and shall be delivered to the Company at its Registered office. It is clarified that every Corporation entitled to appoint a Director under this Article may appoint such number of persons as Directors as may be authorised by the Directors of the Company, subject to Section 152 of the Act and so that the number does not exceed 1/3 of the maximum fixed under Article 93.</p>
<p><b>Disclosure of interest of Directors</b></p>	<p><b>105.</b></p>	<p>a. Subject to the provisions of the Act, the Directors shall not be disqualified by reason of their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker, or otherwise, nor shall any such contract or any contract or arrangement entered into by on behalf of the Company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established but the nature of the interest must be disclosed by the Director at the meeting of the Board at which the contract or arrangements is determined or if the interest then exists in any other case, at the first meeting of the Board after the acquisition of the interest. Provided nevertheless that no Director shall vote as a Director in respect of any contract or arrangement in which he is so interested as aforesaid or take part in the proceedings thereat and he shall not be counted for the purpose of ascertaining whether there is quorum of Directors present. This provision shall not apply to any contract by or on behalf of the Company to indemnify the Directors or any of them against any loss they may suffer by becoming or being sureties for the Company.</p> <p>b. A Director may be or become a Director of any company</p>

		promoted by this Company or in which this Company may be interested as vendor, shareholder or otherwise and no such Director shall be accountable to the Company for any benefits received as a Director or member of such company.
<b>Rights of Directors</b>	<b>106.</b>	Except as otherwise provided by these Articles and subject to the provisions of the Act, all the Directors of the Company shall have in all matters equal rights and privileges, and be subject to equal obligations and duties in respect of the affairs of the Company.
<b>Directors to comply with Section 184</b>	<b>107.</b>	Notwithstanding anything contained in these presents, any Director contracting with the Company shall comply with the provisions of Section 184 of the Companies Act, 2013.
<b>Directors power of contract with Company</b>	<b>108.</b>	Subject to the limitations prescribed in the Companies Act, 2013, the Directors shall be entitled to contract with the Company and no Director shall be disqualified by having contracted with the Company as aforesaid.
<b>ROTATION OF DIRECTORS</b>	<b>109.</b>	<b>Rotation and retirement of Directors</b> At every annual meeting, one-third of the Directors shall retire by rotation in accordance with provisions of Section 152 of the Act.
<b>Retiring Directors eligible for re-election</b>	<b>110.</b>	A retiring Director shall be eligible for re-election and the Company at the General Meeting at which a Director retires in the manner aforesaid may fill up vacated office by electing a person thereto.
<b>Which Directors to retire</b>	<b>111.</b>	The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who become Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot.
<b>Retiring Directors to remain in office till successors are appointed</b>	<b>112.</b>	Subject to Section 152 of the Act, if at any meeting at which an election of Directors ought to take place, the place of the vacating or deceased Directors is not filled up and the meeting has not expressly resolved not to fill up or appoint the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a holiday at the same time, place, and if at the adjourned meeting the place of vacating Directors is not filled up and the meeting has also not expressly resolved not to fill up the vacancy, then the vacating Directors or such of them as have not had their places filled up shall be deemed to have been reappointed at the adjourned meeting.
<b>Power of General Meeting to increase or reduce number of Directors</b>	<b>113.</b>	Subject to the provisions of Sections 149, 151 and 152 the Company in General Meeting may increase or reduce the number of Directors subject to the limits set out in Article 93 and may also determine in what rotation the increased or reduced number is to retire.
<b>Power to remove Directors by ordinary resolution</b>	<b>114.</b>	Subject to provisions of Section 169 the Company, by Ordinary Resolution, may at any time remove any Director except Government Directors before the expiry of his period of office, and may by Ordinary Resolution appoint another person in his place. The person so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforementioned. A Director so removed from office shall not be re-appointed as a Director by the Board of Directors. Special Notice

		shall be required of any resolution to remove a Director under this Article, or to appoint somebody instead of the Director at the meeting at which he is removed.
<b>Rights of persons other than retiring Directors to stand for Directorships</b>	<b>115.</b>	Subject to the provisions of Section 160 of the Act, a person not being a retiring Director shall be eligible for appointment to the office of a Director at any general meeting if he or some other member intending to propose him as a Director has not less than fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of the Director, or the intention of such member to propose him as a candidate for that office, as the case may be “along with a deposit of such sum as may be prescribed by the Act or the Central Government from time to time which shall be refunded to such person or as the case may be, to such member, if the person succeeds in getting elected as a Director or gets more than 25% of total valid votes cast either on show of hands or electronically or on poll on such resolution”.
<b>Register of Directors and KMP and their shareholding</b>	<b>116.</b>	The Company shall keep at its Registered Office a register containing the addresses and occupation and the other particulars as required by Section 170 of the Act of its Directors and Key Managerial Personnel and shall send to the Registrar of Companies returns as required by the Act.
<b>Business to be carried on</b>	<b>117.</b>	The business of the Company shall be carried on by the Board of Directors.
<b>Meeting of the Board</b>	<b>118.</b>	The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings, as it thinks fit, provided that a meeting of the Board shall be held at least once in every one hundred and twenty days; and at least four such meetings shall be held in every year.
<b>Director may summon meeting</b>	<b>119.</b>	A Director may at any time request the Secretary to convene a meeting of the Directors and seven days notice of meeting of directors shall be given to every director and such notice shall be sent by hand delivery or by post or by electronic means.
<b>Question how decided</b>	<b>120.</b>	a. Save as otherwise expressly provided in the Act, a meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board. b. In case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a Director.
<b>Right of continuing Directors when there is no quorum</b>	<b>121.</b>	The continuing Directors may act notwithstanding any vacancy in the Board, but if and as long as their number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a General Meeting of the Company and for no other purpose.
<b>Quorum</b>	<b>122.</b>	The quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that onethird being rounded off as one) or two Directors whichever is higher; provided that where at

		any time the number of interested Directors is equal to or exceeds two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested present at the meeting being not less than two shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of the Board after deducting therefrom the number of Directors, if any, whose places are vacant at the time.
<b>Election of Chairman to the Board</b>	<b>123.</b>	If no person has been appointed as Chairman or Vice Chairman under Article 98(a) or if at any meeting, the Chairman or Vice Chairman of the Board is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be the Chairman of the meeting.
<b>Power to appoint Committees and to delegate</b>	<b>124.</b>	<b>Power to appoint Committees and to delegate</b> a. The Board may, from time to time, and at any time and in compliance with provisions of the act and listing agreement constitute one or more Committees of the Board consisting of such member or members of its body, as the Board may think fit. <b>Delegation of powers</b> b. Subject to the provisions of Section 179 the Board may delegate from time to time and at any time to any Committee so appointed all or any of the powers, authorities and discretions for the time being vested in the Board and such delegation may be made on such terms and subject to such conditions as the Board may think fit and subject to provisions of the act and listing agreement. c. The Board may from, time to time, revoke, add to or vary any powers, authorities and discretions so delegated subject to provisions of the act and listing agreement.
<b>Proceedings of Committee</b>	<b>125.</b>	The meeting and 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 Directors so far as the same are applicable thereto, and not superseded by any regulations made by the Directors under the last proceeding Article.
<b>Election of Chairman of the Committee</b>	<b>126.</b>	a. The Chairman or the Vice Chairman shall be the Chairman of its meetings, if either is not available or if at any meeting either is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their number to be Chairman of the meeting. b. The quorum of a Committee may be fixed by the Board and until so fixed, if the Committee is of a single member or two members, the quorum shall be one and if more than two members, it shall be two.
<b>Question how determined</b>	<b>127.</b>	a. A Committee may meet and adjourn as it thinks proper. b. Questions arising at any meeting of a Committee shall be determined by the sole member of the Committee or by a majority of votes of the members present as the case may be and in case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a member of the Committee.

<b>Acts done by Board or Committee valid, notwithstanding defective appointment, etc.</b>	<b>128.</b>	All acts done by any meeting of the Board or 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 any person acting as aforesaid, or that any of them was disqualified, be as valid as if every such Director and such person had been duly appointed and was qualified to be a Director.
<b>Resolution by circulation</b>	<b>129.</b>	Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with necessary papers, if any, to all the members of the Committee then in India (not being less in number than the quorum fixed for the meeting of the Board or the Committee as the case may) and to all other Directors or members at their usual address in India or by a majority of such of them as are entitled to vote on the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board or Committee duly convened and held.
<b>POWERS AND DUTIES OF DIRECTORS</b>	<b>130.</b>	<b>General powers of Company vested in Directors</b> The business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not, by the act or any statutory modification thereof for the time being in force, or by these Articles, required to be exercised by the Company in General Meeting, subject nevertheless to any regulation of these Articles, to the provisions of the said 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 regulation made by the Company in General Meeting, shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.
<b>Attorney of the Company</b>	<b>131.</b>	The Board may appoint at any time and from time to time by a power of attorney under the Company's seal, any person to be the Attorney of the Company for such purposes and with such powers, authorities and discretions not exceeding those vested in or exercisable by the Board under these Articles 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 favour of the members, or any of the members of any firm or company, or the members, Directors, nominees or managers of any firm or company or otherwise in favour of any body or 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 attorney as the Board may think fit.
<b>Power to authorise sub delegation</b>	<b>132.</b>	The Board may authorise any such delegate or attorney as aforesaid to sub-delegate all or any of the powers and authorities for the time being vested in him.
<b>Directors' duty to comply with the provisions of the Act</b>	<b>133.</b>	The Board shall duly comply with the provisions of the Act and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the Company or created by it, and keep a register of the Directors, and send to the Registrar an annual list of members and a summary of

		particulars relating thereto, and notice of any consolidation or increase of share capital and copies of special resolutions, and such other resolutions and agreements required to be filed under Section 117 of the Act and a copy of the Register of Directors and notifications of any change therein.
<b>Special power of Directors</b>	<b>134.</b>	In furtherance of and without prejudice to the general powers conferred by or implied in Article 130 and other powers conferred by these Articles, and subject to the provisions of Sections 179 and 180 of the Act, that may become applicable, it is hereby expressly declared that it shall be lawful for the Directors to carry out all or any of the objects set forth in the Memorandum of Association and to the following things.
<b>To acquire and dispose of property and rights</b>	<b>135.</b>	<p>a. To purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit and to sell, let, exchange, or otherwise dispose of the property, privileges and undertakings of the Company upon such terms and conditions and for such consideration as they may think fit.</p> <p><b>To pay for property in debentures, etc.</b></p> <p>b. At their discretion to pay for any property, rights and privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures or other securities of the Company and any such shares may be issued either as fully paid-up or with such amount credited as paid-up, the sum as may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.</p> <p><b>To secure contracts by mortgages</b></p> <p>c. To secure the fulfillment of any contracts or agreements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they think fit.</p> <p><b>To appoint officers, etc.</b></p> <p>d. To appoint and at their discretion remove, or suspend such agents, secretaries, officers, clerks and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their powers and duties and fix their salaries or emoluments and to the required security in such instances and to such amount as they think fit.</p> <p>e. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payments or satisfaction of any dues and of any claims or demands by or against the Company.</p> <p><b>To refer to arbitration</b></p> <p>f. To refer to, any claims or demands by or against the Company to arbitration and observe and perform the awards.</p> <p><b>To give receipt</b></p> <p>g. To make and give receipts, releases and other discharges for money payable to the Company and of the claims and demands of</p>



	<p>the Company.</p> <p><b>To act in matters of bankrupts and insolvents</b></p> <p>h. To act on behalf of the Company in all matters relating to bankrupts and insolvents.</p> <p><b>To give security by way of indemnity</b></p> <p>i. To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.</p> <p><b>To give commission</b></p> <p>j. To give any person employed by the Company a commission on the profits of any particular business or transaction or a share in the general profits of the Company.</p> <p><b>To make contracts etc.</b></p> <p>k. To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.</p> <p><b>To make bye-laws</b></p> <p>l. From time to time, make, vary and repeal bye-laws for the regulations of the business for the Company, its officers and servants.</p> <p><b>To set aside profits for provided fund</b></p> <p>m. Before recommending any dividends, to set-aside portions of the profits of the Company to form a fund to provide for such pensions, gratuities or compensations; or to create any provident fund or benefit fund in such or any other manner as the Directors may deem fit.</p> <p><b>To make and alter rules</b></p> <p>n. To make and alter rules and regulations concerning the time and manner of payments of the contributions of the employees and the Company respectively to any such fund and accrual, employment, suspension and forfeiture of the benefits of the said fund and the application and disposal thereof and otherwise in relation to the working and management of the said fund as the Directors shall from time to time think fit.</p> <p>o. And generally, at their absolute discretion, to do and perform every act and thing which they may consider necessary or expedient for the purpose of carrying on the business of the Company, excepting such acts and things as by Memorandum of Association of the Company or by these presents may stand prohibited.</p>
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<b>Managing Director</b>	<b>136.</b>	<p>a. Subject to the provisions of Section 196 ,197, 2(94), 203 of the Act, the following provisions shall apply:</p> <p>b. The Board of Directors may appoint or re-appoint one or more of their body, not exceeding two, to be the Managing Director or Managing Directors of the Company for such period not exceeding 5 years as it may deem fit, subject to such approval of the Central Government as may be necessary in that behalf.</p> <p>c. The remuneration payable to a Managing Director shall be determined by the Board of Directors subject to the sanction of the Company in General Meeting and of the Central Government, if required.</p> <p>d. If at any time there are more than one Managing Director, each of the said Managing Directors may exercise individually all the powers and perform all the duties that a single Managing Director may be empowered to exercise or required to perform under the Companies Act or by these presents or by any Resolution of the Board of Directors and subject also to such restrictions or conditions as the Board may from time to time impose.</p> <p>e. The Board of Directors may at any time and from time to time designate any Managing Director as Deputy Managing Director or Joint Managing Director or by such other designation as it deems fit.</p> <p>f. Subject to the supervision, control and directions of the Board of Directors, the Managing Director/Managing Directors shall have the management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties and in relation to the management of the affairs, except such powers and such duties as are required by Law or by these presents to be exercised or done by the Company in General Meeting or by the Board and also subject to such conditions and restrictions imposed by the Act or by these presents or by the Board of Directors. Without prejudice to the generality of the foregoing, the Managing Director/Managing Directors shall exercise all powers set out in Article 137 above except those which are by law or by these presents or by any resolution of the Board required to be exercised by the Board or by the Company in General Meeting.</p>
<b>Whole-time Director</b>	<b>137.</b>	<p>1. Subject to the provisions of the Act and subject to the approval of the Central Government, if any, required in that behalf, the Board may appoint one or more of its body, as Whole-time Director or Wholetime Directors on such designation and on such terms and conditions as it may deem fit. The Whole-time Directors shall perform such duties and exercise such powers as the Board may from time to time determine which shall exercise all such powers and perform all such duties subject to the control, supervision and directions of the Board and subject thereto the supervision and directions of the Managing Director. The remuneration payable to the Whole-time Directors shall be determined by the Company in General Meeting, subject to the approval of the Central Government, if any, required in that behalf.</p> <p>2. A Whole-time Director shall (subject to the provisions of any contract between him and the Company) be subject to the same</p>

		provisions as to resignation and removal as the other Directors, and he shall, ipso facto and immediately, cease to be Whole-time Director, if he ceases to hold the Office of Director from any cause except where he retires by rotation in accordance with the Articles at an Annual General Meeting and is re-elected as a Director at that Meeting.
<b>Secretary</b>	<b>138.</b>	138. The Board shall have power to appoint a Secretary a person fit in its opinion for the said office, for such period and on such terms and conditions as regards remuneration and otherwise as it may determine. The Secretary shall have such powers and duties as may, from time to time, be delegated or entrusted to him by the Board.
<b>Powers as to commencement of business</b>	<b>139.</b>	Subject to the provisions of the Act, any branch or kind of business which by the Memorandum of Association of the Company or these presents is expressly or by implication authorised to be undertaken by the Company, may be undertaken by the Board at such time or times as it shall think fit and further may be suffered by it to be in abeyance whether such branch or kind of business may have been actually commenced or not so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.
<b>Delegation of power</b>	<b>140.</b>	Subject to Section 179 the Board may delegate all or any of its powers to any Director, jointly or severally or to any one Director at its discretion or to the Executive Director.
<b>BORROWING</b> <b>Borrowing Powers</b>	<b>141.</b>	a. The Board may, from time to time, raise any money or any moneys or sums of money for the purpose of the Company; provided that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not, without the sanction of the Company at a General Meeting, exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set-apart for any specific purpose and in particular but subject to the provisions of Section 179 of the Act, the Board may, from time to time, at its discretion raise or borrow or secure the payment of any such sum or sums of money for the purpose of the Company, by the issue of debentures to members, perpetual or otherwise including debentures convertible into shares of this or any other company or perpetual annuities in security of any such money so borrowed, raised or received, mortgage, pledge or charge, the whole or any part of the property, assets, or revenue of the Company, present or future, including its uncalled capital by special assignment or otherwise or transfer or convey the same absolutely or entrust and give the lenders powers of sale and other powers as may be expedient and purchase, redeem or pay off any such security. Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount upto which moneys may be borrowed by the Board of Directors, provided that subject to the provisions of clause next above, the Board may, from time to time, at its discretion, raise or borrow or secure the repayment of any sum

		or sums of money for the purpose of the Company as such time and in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by promissory notes or by opening current accounts, or by receiving deposits and advances, with or without security or by the issue of bonds, perpetual or redeemable debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any land, building, bond or other property and security of the Company or by such other means as them may seem expedient.
<b>Assignment of debentures</b>	<b>142.</b>	Such debentures, debenture stock, bonds or other securities may be made assignable, free from any equities between the Company and the person to whom the same may be issued.
<b>Terms of debenture issue</b>	<b>143.</b>	<p>a. Any such debenture, debenture stock, bond or other security may be issued at a discount, premium or otherwise, and with any special privilege as the redemption, surrender, drawing, allotment of shares of the Company, or otherwise, provided that debentures with the right to allotment or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.</p> <p>b. Any trust deed for securing of any debenture or debenture stock and or any mortgage deed and/or other bond for securing payment of moneys borrowed by or due by the Company and/or any contract or any agreement made by the Company with any person, firm, body corporate, Government or authority who may render or agree to render any financial assistance to the Company by way of loans advanced or by guaranteeing of any loan borrowed or other obligations of the Company or by subscription to the share capital of the Company or provide assistance in any other manner may provide for the appointment from time to time, by any such mortgagee, lender, trustee of or holders of debentures or contracting party as aforesaid, of one or more persons to be a Director or Directors of the Company. Such trust deed, mortgage deed, bond or contract may provide that the person appointing a Director as aforesaid may, from time to time, remove any Director so appointed by him and appoint any other person in his place and provide for filling up of any casual vacancy created by such person vacating office as such Director. Such power shall determine and terminate on the discharge or repayment of the respective mortgage, loan or debt or debenture or on the termination of such contract and any person so appointed as Director under mortgage or bond or debenture trust deed or under such contract shall cease to hold office as such Director on the discharge of the same. Such appointment and provision in such document as aforesaid shall be valid and effective as if contained in these presents.</p> <p>c. The Director or Directors so appointed by or under a mortgage deed or other bond or contract as aforesaid shall be called a Mortgage Director or Mortgage Directors and the Director if appointed as aforesaid under the provisions of a debenture trust deed shall be called "Debenture Director". The words "Mortgage" or</p>

		<p>“Debenture Director” shall mean the Mortgage Director for the time being in office. The Mortgage Director or Debenture Director shall not be required to hold any qualification shares and shall not be liable to retire by rotation or to be removed from office by the Company. Such mortgage deed or bond or trust deed or contract may contain such auxiliary provision as may be arranged between the Company and mortgagee lender, the trustee or contracting party, as the case may be, and all such provisions shall have effect notwithstanding any of the other provisions herein contained but subject to the provisions of the Act.</p> <p>d. The Directors appointed as Mortgage Director or Debenture Director or Corporate Director under the Article shall be deemed to be ex-officio Directors.</p> <p>e. The total number of ex-officio Directors, if any, so appointed under this Article together with the other ex-officio Directors, if any, appointment under any other provisions of these presents shall not at any time exceed one-third of the whole number of Directors for the time being.</p>
<b>Charge on uncalled capital</b>	<b>144.</b>	Any uncalled capital of the Company may be included in or charged by mortgage or other security.
<b>Subsequent assignees of uncalled capital</b>	<b>145.</b>	Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject such prior charge, and shall not be entitled, by notice to the shareholder or otherwise, to obtain priority over such prior charge.
<b>Charge in favour of Director of indemnity</b>	<b>146.</b>	If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or other person so becoming liable as aforesaid from any loss in respect of such liability.

<p><b>Powers to be exercised by Board only at meeting</b></p>	<p><b>147.</b></p>	<p>a. Subject to the provisions of the Act, the Board shall exercise the following powers on behalf of the Company and the said power shall be exercised only by resolution passed at the meetings of the Board.</p> <p>(a) to make calls on shareholders in respect of money unpaid on their shares;</p> <p>(b) to authorise buy-back of securities under section 68;</p> <p>(c) to issue securities, including debentures, whether in or outside India;</p> <p>(d) to borrow monies;</p> <p>(e) to invest the funds of the company;</p> <p>(f) to grant loans or give guarantee or provide security in respect of loans;</p> <p>(g) to approve financial statement and the Board's report;</p> <p>(h) to diversify the business of the company;</p> <p>(i) to approve amalgamation, merger or reconstruction;</p> <p>(j) to take over a company or acquire a controlling or substantial stake in another company;</p> <p>(k) to make political contributions;</p> <p>(l) to appoint or remove key managerial personnel (KMP);</p> <p>(m) to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;</p> <p>(n) to appoint internal auditors and secretarial auditor;</p> <p>(o) to take note of the disclosure of director's interest and shareholding;</p> <p>(p) to buy, sell investments held by the company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee company;</p> <p>(q) to invite or accept or renew public deposits and related matters;</p> <p>(r) to review or change the terms and conditions of public deposit;</p> <p>(s) to approve quarterly, half yearly and annual financial statements or financial results as the case may be.</p> <p>(t) such other business as may be prescribed by the Act.</p> <p>b. The Board may by a meeting delegate to any Committee of the Board or to the Managing Director the powers specified in Sub-clauses, d, e and f above.</p> <p>c. Every resolution delegating the power set out in Sub-clause d shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the said delegate.</p> <p>d. Every resolution delegating the power referred to in Sub-clause e shall specify the total amount upto which the funds may be invested and the nature of investments which may be made by the delegate.</p> <p>e. Every resolution delegating the power referred to in Sub-clause f above shall specify the total amount upto which loans may be made by the delegate, the purposes for which the loans may be made, and the maximum amount of loans that may be made for each such purpose in individual cases.</p>
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<b>Register of mortgage to be kept</b>	<b>148.</b>	The Directors shall cause a proper register and charge creation documents to be kept in accordance with the provisions of the Companies Act, 2013 for all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act, in regard to the registration of mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act, in regard to the registration of mortgages and charges therein specified and otherwise and shall also duly comply with the requirements of the said Act as to keeping a copy of every instrument creating any mortgage or charge by the Company at the office.
<b>Register of holders of debentures</b>	<b>149.</b>	Every register of holders of debentures of the Company may be closed for any period not exceeding on the whole forty five days in any year, and not exceeding thirty days at any one time. Subject as the aforesaid, every such register shall be open to the inspection of registered holders of any such debenture and of any member but the Company may in General Meeting impose any reasonable restriction so that at least two hours in every day, when such register is open, are appointed for inspection.
<b>Inspection of copies of and Register of Mortgages</b>	<b>150.</b>	The Company shall comply with the provisions of the Companies Act, 2013, as to allow inspection of copies kept at the Registered Office in pursuance of the said Act, and as to allowing inspection of the Register of charges to be kept at the office in pursuance of the said Act.
<b>Supplying copies of register of holder of debentures</b>	<b>151.</b>	The Company shall comply with the provisions of the Companies Act, 2013, as to supplying copies of any register of holders of debentures or any trust deed for securing any issue of debentures.
<b>Right of holders of debentures as to Financial Statements</b>	<b>152.</b>	Holders of debentures and any person from whom the Company has accepted any sum of money by way of deposit, shall on demand, be entitled to be furnished, free of cost, or for such sum as may be prescribed by the Government from time to time, with a copy of the Financial Statements of the Company and other reports attached or appended thereto.
<b>Minutes</b>	<b>153.</b>	a. The Company shall comply with the requirements of Section 118 of the Act, in respect of the keeping of the minutes of all proceedings of every General Meeting and every meeting of the Board or any Committee of the Board. b. The Chairman of the meeting shall exclude at his absolute discretion such of the matters as are or could reasonably be regarded as defamatory of any person irrelevant or immaterial to the proceedings or detrimental to the interests of the Company.
<b>Managing Director's power to be exercised severally</b>	<b>154.</b>	All the powers conferred on the Managing Director by these presents, or otherwise may, subject to any directions to the contrary by the Board of Directors, be exercised by any of them severally.
<b>MANAGER</b>	<b>155.</b>	<b>Manager</b> Subject to the provisions of the Act, the Directors may appoint any person as Manager for such term not exceeding five years at a time at such remuneration and upon such conditions as they may think fit and any Manager so appointed may be removed by the Board.

<b>Seal</b>	<b>156.</b>	The Board shall provide a common seal of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. The common seal shall be kept at the Registered Office of the Company and committed to the custody of the Directors.
<b>Affixture of Seal</b>	<b>157.</b>	The seal shall not be affixed to any instrument except by the authority of a resolution of the Board or Committee and unless the Board otherwise determines, every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company, be signed by one Director and the Secretary in whose presence the seal shall have been affixed or such other person as may, from time to time, be authorised by the Board and provided nevertheless that any instrument bearing the seal of the Company issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority to issue the same provided also the counter signature of the Chairman or the Vice Chairman, which shall be sealed in the presence of any one Director and signed by him on behalf of the Company.
<b>DIVIDENDS AND RESERVES</b>	<b>158.</b>	<b>Rights to Dividend</b> The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of these presents as to the Reserve Fund, shall be divisible among the equity shareholders.
<b>Declaration of Dividends</b>	<b>159.</b>	The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.
<b>What to be deemed net profits</b>	<b>160.</b>	The declarations of the Directors as to the amount of the net profits of the Company shall be conclusive.
<b>Interim Dividend</b>	<b>161.</b>	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.
<b>Dividends to be paid out of profits only</b>	<b>162.</b>	No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 123 of the Act.
<b>Reserve Funds</b>	<b>163.</b>	a. The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper 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, think fit. b. The Board may also carry forward any profits which it may think prudent not to divide without setting them aside as Reserve.



<b>Method of payment of dividend</b>	<b>164.</b>	<p>a. Subject to the rights of persons, if any, entitled to share with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid.</p> <p>b. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of these regulations as paid on the share.</p> <p>c. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date, such shares shall rank for dividend accordingly.</p>
<b>Deduction of arrears</b>	<b>165.</b>	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 in relation to the shares of the Company or otherwise.
<b>Adjustment of dividend against call</b>	<b>166.</b>	Any General Meeting declaring a dividend or bonus may make a call on the members of such amounts as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and themselves, be set off against the call.
<b>Payment by cheque or warrant</b>	<b>167.</b>	<p>a. Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through post directly 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 in the Register of Members or to such person and to such address of the holder as the joint holders may in writing direct.</p> <p>b. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p> <p>c. Every dividend or warrant or cheque shall be posted within thirty days from the date of declaration of the dividends.</p>
<b>Retention in certain cases</b>	<b>168.</b>	<p>The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause entitled to become a member in respect thereof or shall duly transfer the same.</p> <p><b>Receipt of joint holders</b></p> <p>(A) Where any instrument of transfer of shares has been delivered to the Company for registration on holders, the Transfer of such shares and the same has not been registered by the Company, it shall, and notwithstanding anything contained in any other provision of the Act:</p> <p>a) transfer the dividend in relation to such shares to the Special Account referred to in Sections 123 and 124 of the Act, unless the Company is authorised by the registered holder, of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer, and</p> <p>b) Keep in abeyance in relation to such shares any offer of rights</p>

		shares under Clause(a) of Sub-section (1) of Section 62 of the Act, and any issue of fully paid-up bonus shares in pursuance of Sub-section (3) of Section 123 of the Act”.
<b>Deduction of arrears</b>	<b>169.</b>	Any one of two of the joint holders of a share may give effectual receipt for any dividend, bonus, or other money payable in respect of such share.
<b>Notice of Dividends</b>	<b>170.</b>	Notice of any dividend that may have been declared shall be given to the person entitled to share therein in the manner mentioned in the Act.
<b>Dividend not to bear interest</b>	<b>171.</b>	No dividend shall bear interest against the Company.
<b>Unclaimed Dividend</b>	<b>172.</b>	No unclaimed dividends shall be forfeited. Unclaimed dividends shall be dealt with in accordance to the provisions of Sections 123 and 124 of the Companies Act, 2013.
<b>Transfer of share not to pass prior Dividend</b>	<b>173.</b>	Any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
<b>Capitalisation of Profits</b>	<b>174.</b>	<p><b>Capitalisation of Profits</b></p> <p>a. The Company in General Meeting, may on the recommendation of the Board, resolve:</p> <ol style="list-style-type: none"> <li>1. that the whole or any part of any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Fund or any money, investment or other asset forming part of the undivided profits, including profits or surplus moneys arising from the realisation and (where permitted by law) from the appreciation in value of any Capital assets of the Company standing to the credit of the General Reserve, Reserve or any Reserve Fund or any amounts standing to the credit of the Profit and Loss Account or any other fund of the Company or in the hands of the Company and available for the distribution as dividend capitalised; and</li> <li>2. that such sum be accordingly set free for distribution in the manner specified in Sub-clause (2) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.</li> </ol> <p>b. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in Sub clause (3) either in or towards:</p> <ol style="list-style-type: none"> <li>1. paying up any amount for the time being unpaid on any share held by such members respectively;</li> <li>2. paying up in full unissued shares of the Company to be allotted and distributed and credited as fully paid-up to and amongst such members in the proportion aforesaid; or</li> <li>3. partly in the way specified in Sub-clause (i) and partly in that specified in Sub-clause (ii).</li> </ol> <p>c. A share premium account and a capital redemption reserve account may for the purpose of this regulation be applied only in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.</p> <p>d. The Board shall give effect to resolutions passed by the Company in pursuance of this Article.</p>

<b>Powers of Directors for declaration of Bonus</b>	<b>175.</b>	<p>a. Whenever such a resolution as aforesaid shall have been passed, the Board shall:</p> <ol style="list-style-type: none"> <li>1. make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issue or fully paid shares if any; and</li> <li>2. generally do all acts and things required to give effect thereto.</li> </ol> <p>b. The Board shall have full power:</p> <ol style="list-style-type: none"> <li>1. to make such provision by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit in the case of shares becoming distributable in fractions and also;</li> <li>2. to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid-up of any further shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on the existing shares.</li> </ol> <p>c. Any agreement made under such authority shall be effective and binding on all such members.</p>
<b>ACCOUNTS</b>  <b>Books of account to be kept</b>	<b>176.</b>	<p>a. The Board shall cause proper books of accounts to be kept in respect of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place, of all sales and purchases of goods by the Company, and of the assets and liabilities of the Company.</p> <p>b. All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch as the case may be, with respect to the matters aforesaid, and explain in transactions.</p> <p>c. The books of accounts shall be open to inspection by any Director during business hours.</p>
<b>Where books of account to be kept</b>	<b>177.</b>	The books of account shall be kept at the Registered Office or at such other place as the Board thinks fit.
<b>Inspection by members</b>	<b>178.</b>	The Board shall, from time to time, determine whether and to what extent and at what time and under what conditions or regulations the accounts and books and documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspection any account or book or document of the Company except as conferred by statute or authorised by the Board or by a resolution of the Company in General Meeting.
<b>Statement of account to be furnished to General Meeting</b>	<b>179.</b>	The Board shall lay before such Annual General Meeting , financial statements made up as at the end of the financial year which shall be a date which shall not precede the day of the meeting by more than six months or such extension of time as shall have been granted by the Registrar under the provisions of the Act.
<b>Financial Statements</b>	<b>180.</b>	Subject to the provisions of Section 129, 133 of the Act, every financial statements of the Company shall be in the forms set out in Parts I and II respectively of Schedule III of the Act, or as near thereto as circumstances admit.

<b>Authentication of Financial Statements</b>	<b>181.</b>	<p>a. Subject to Section 134 of the Act, every financial statements of the Company shall be signed on behalf of the Board by not less than two Directors.</p> <p>b. The financial statements shall be approved by the Board before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the Auditors for their report thereon.</p>
<b>Auditors Report to be annexed</b>	<b>182.</b>	The Auditor's Report shall be attached to the financial statements.
<b>Board's Report to be attached to Financial Statements</b>	<b>183.</b>	<p>a. Every financial statement laid before the Company in General Meeting shall have attached to it a report by the Board with respect to the state of the Company's affairs, the amounts, if any, which it proposes to carry to any reserve either in such Balance Sheet or in a subsequent Balance Sheet and the amount, if any, which it recommends to be paid by way of dividend.</p> <p>b. The report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to its business or that of any of its subsidiaries, deal with any change which has occurred during the financial year in the nature of the Company's business or that of the Company's subsidiaries and generally in the classes of business in which the Company has an interest and material changes and commitments, if any, affecting the financial position of the Company which has occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the report.</p> <p>c. The Board shall also give the fullest information and explanation in its report or in case falling under the provision of Section 134 of the Act in an addendum to that Report on every reservation, qualification or adverse remark contained in the Auditor's Report.</p> <p>d. The Board's Report and addendum, if any, thereto shall be signed by its Chairman if he is authorised in that behalf by the Board; and where he is not authorised, shall be signed by such number of Directors as is required to sign the Financial Statements of the Company under Article 181.</p> <p>e. The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of Sub-clauses (a) to (e) of this Article are complied with.</p>
<b>Right of member to copies of Financial Statements</b>	<b>184.</b>	The Company shall comply with the requirements of Section 136.
<b>Annual Returns</b>	<b>185.</b>	The Company shall make the requisite annual return in accordance with Section 92 of the Act.
<b>AUDIT</b>	<b>186.</b>	<p><b>Accounts to be audited</b></p> <p>a. Every Financial Statement shall be audited by one or more Auditors to be appointed as hereinafter mentioned.</p> <p>b. Subject to provisions of the Act, The Company at the Annual General Meeting shall appoint an Auditor or Firm of Auditors to hold office from the conclusion of that meeting until the conclusion</p>

		<p>of the fifth Annual General Meeting and shall, within seven days of the appointment, give intimation thereof to every Auditor so appointed unless he is a retiring Auditor.</p> <p>c. At every Annual General Meeting, reappointment of such auditor shall be ratified by the shareholders.</p> <p>d. Where at an Annual General Meeting no Auditors are appointed or reappointed, the Central Government may appoint a person to fill the vacancy.</p> <p>e. The Company shall, within seven days of the Central Government's power under Sub-clause (d) becoming exercisable, give notice of that fact to that Government.</p> <p>f. 1. The first Auditor or Auditors of the Company shall be appointed by the Board of Directors within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.</p> <p>Provided that the Company may at a General Meeting remove any such Auditor or all or any of such Auditors and appoint in his or their places any other person or persons who have been nominated for appointment by any such member of the Company and of whose nomination notice has been given to the members of the Company, not less than 14 days before the date of the meeting; and</p> <p>2. If the Board fails to exercise its power under this Sub-clause, the Company in General Meeting may appoint the first Auditor or Auditors.</p> <p>g. The Directors may fill any casual vacancy in the office of an Auditor, but while any such vacancy continues, the remaining Auditor or Auditors, if any, may act, but where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.</p> <p>h. A person other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless Special Notice of a resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 115 of the Act and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with Section 190 of the Act and all other provisions of Section 140 of the Act shall apply in the matter. The provisions of this Sub-clause shall also apply to a resolution that retiring Auditor shall be reappointed.</p> <p>i. The persons qualified for appointment as Auditors shall be only those referred to in Section 141 of the Act.</p> <p>j. Subject to the provisions of Section 146 of the Act, the Auditor of the company shall attend general meetings of the company.</p>
<b>Audit of Branch Offices</b>	<b>187.</b>	The Company shall comply with the provisions of Section 143 of the Act in relation to the audit of the accounts of Branch Offices of the Company.

<b>Remuneration of Auditors</b>	<b>188.</b>	The remuneration of the Auditors shall be fixed by the Company in General Meeting except that the remuneration of any Auditor appointed to fill and casual vacancy may be fixed by the Board.
<b>Rights and duties of Auditors</b>	<b>189.</b>	<p>a. Every Auditor of the Company shall have a right of access at all times to the books of accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanations as may be necessary for the performance of his duties as Auditor.</p> <p>b. All notices of, and other communications relating to any General Meeting of a Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditor, and the Auditor shall be entitled to attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.</p> <p>c. The Auditor shall make a report to the members of the Company on the accounts examined by him and on Financial statements and on every other document declared by this Act to be part of or annexed to the Financial statements, which are laid before the Company in General Meeting during his tenure of office, and the report shall state whether, in his opinion and to the best of his information and according to explanations given to him, the said accounts give the information required by this Act in the manner so required and give a true and fair view:</p> <ol style="list-style-type: none"> <li>1. in the case of the Balance Sheet, of the state of affairs as at the end of the financial year and</li> <li>2. in the case of the Statement of Profit and Loss, of the profit or loss for its financial year.</li> </ol> <p>d. The Auditor's Report shall also state:</p> <ol style="list-style-type: none"> <li>(a) whether he has sought and obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit and if not, the details thereof and the effect of such information on the financial statements;</li> <li>(b) whether, in his opinion, proper books of account as required by law have been kept by the company so far as appears from his examination of those books and proper returns adequate for the purposes of his audit have been received from branches not visited by him;</li> <li>(c) whether the report on the accounts of any branch office of the company audited under sub-section (8) by a person other than the company's auditor has been sent to him under the proviso to that sub-section and the manner in which he has dealt with it in preparing his report;</li> <li>(d) whether the company's balance sheet and profit and loss account dealt with in the report are in agreement with the books of account and returns;</li> <li>(e) whether, in his opinion, the financial statements comply with the accounting standards;</li> <li>(f) the observations or comments of the auditors on financial transactions or matters which have any adverse effect on the functioning of the company;</li> </ol>

		<p>(g) whether any director is disqualified from being appointed as a director under sub-section (2) of section 164;</p> <p>(h) any qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;</p> <p>(i) whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;</p> <p>(j) whether the company has disclosed the impact, if any, of pending litigations on its financial position in its financial statement;</p> <p>(k) whether the company has made provision, as required under any law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;</p> <p>(l) whether there has been any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.</p> <p>e. Where any of the matters referred to in Clauses (i) and (ii) of Sub-section (2) of Section 143 of the Act or in Clauses (a), (b) and (c) of Sub-section (3) of Section 143 of the Act or Sub-clause (4) (a) and (b) and (c) hereof is answered in the negative or with a qualification, the Auditor's Report shall state the reason for such answer.</p> <p>f. The Auditor's Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.</p>
<b>Accounts whether audited and approved to be conclusive</b>	<b>190.</b>	Every account of the Company when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period, the accounts shall forthwith be corrected, and henceforth be conclusive.
<b>Service of documents on the Company</b>	<b>191.</b>	A document may be served on the Company or any officer thereof by sending it to the Company or officer at the Registered Office of the Company by Registered Post, or by leaving it at the Registered Office or in electronic mode in accordance with the provisions of the act.

<b>How documents to be served to members</b>	<b>192.</b>	<p>a. A document (which expression for this purpose shall be deemed to included and shall include any summons, notice, requisition, process, order judgement or any other document in relation to or the winding up of the Company) may be served personally or by sending it by post to him to his registered address or in electronic mode in accordance with the provisions of the act., or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the giving of notices to him.</p> <p>b. All notices shall, with respect to any registered shares to which persons are entitled jointly, be given to whichever of such persons is named first in the Register, and notice so given shall be sufficient notice to all the holders of such shares.</p> <p>c. Where a document is sent by post:</p> <p>i. service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the notice, provided that where a member has intimated to the Company in advance that documents should be sent to him under a Certificate of Posting or by Registered Post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the documents 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;</p> <p>a. in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the notice is posted, and</p> <p>b. in any other case, at the time at which the letter should be delivered in the ordinary course of post.</p>
<b>Members to notify address in India</b>	<b>193.</b>	Each registered holder of share(s) shall, from time to time, notify in writing to the Company some place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.
<b>Service on members having no registered address in India</b>	<b>194.</b>	If a member has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him, a document advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears.
<b>Service on persons acquiring shares on death or insolvency of members</b>	<b>195.</b>	A document may be served by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of deceased or assignees of the insolvent or by any like descriptions at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served if the death or insolvency had not occurred.
<b>Notice valid though member deceased</b>	<b>196.</b>	Any notice of document delivered or sent by post or left at the registered address of any member in pursuance of these presents shall, notwithstanding that such member by then deceased and whether or not the Company has notice of his decease, be deemed to



		have been duly served in respect of any registered share whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his or on her heirs, executors or administrators, and all other persons, if any, jointly interested with him or her in any such share.
<b>Persons entitled to Notice of General Meeting</b>	<b>197.</b>	197. Subject to the provisions of Section 101 the Act and these Articles, notice of General Meeting shall be given to; (a) every member of the company, legal representative of any deceased member or the assignee of an insolvent member; (b) the auditor or auditors of the company; and (c) every director of the company. Any accidental omission to give notice to, or the non-receipt of such notice by, any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.
<b>Advertisement</b>	<b>198.</b>	a. Subject to the provisions of the Act, any document required to be served on or sent to the members, or any of them by the Company and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the district where the Registered Office of the Company is situated. b. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered in the Register shall be duly given to the person from whom he derived his title to such share or stock.
<b>Transference, etc. bound by prior notices</b>	<b>199.</b>	Every person, who by the operation of law, transfer, or other means whatsoever, shall become entitled to any share, shall be bound by every document in respect of such share which previously to his name and address being entered in the Register, shall have been duly served on or sent to the person from whom he derives his title to the share.
<b>How notice to be signed</b>	<b>200.</b>	Any notice to be given by the Company shall be signed by the Managing Director or by such Director or officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.
<b>AUTHENTICATION OF DOCUMENTS</b>	<b>201.</b>	<b>Authentication of document and proceeding</b> Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, or the Managing Director or an authorised officer of the Company and need not be under its seal.
<b>Winding up</b>	<b>202.</b>	Subject to the provisions of the Act as to preferential payments, the assets of a Company shall, on its winding-up be applied in satisfaction of its liabilities pari-passu and, subject to such application, shall, unless the articles otherwise provide, be distributed among the members according to their rights and interests in the Company.
<b>Division of assets of the Company in</b>	<b>203.</b>	If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of a Special

<p><b>specie among members</b></p>		<p>Resolution, divide among the contributories, in specie or kind, and part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidators with the like sanction shall think fit. In case any shares, to be divided as aforesaid involves a liability to calls or otherwise, any person entitled under such division to any of the said shares may, within ten days after the passing of the Special Resolution by notice in writing, direct the liquidators to sell his proportion and pay him the net proceeds, and the liquidators shall, if practicable, act accordingly.</p>
<p><b>INDEMNITY AND RESPONSIBILITY</b></p>	<p><b>204.</b></p>	<p><b>Directors' and others' right to indemnity</b></p> <p>a. Subject to the provisions of Section 197 of the Act every Director, Manager, Secretary and other officer or employee of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses, and expenses (including travelling expenses) which Service of documents on the Company any such Director, officer or employee may incur or becomes liable to by reason of any contract entered into or act or deed done by him or any other way in the discharge of his duties, as such Director, officer or employee.</p> <p>b. Subject as aforesaid, every Director, Manager, Secretary, or other officer/employee of the Company shall be indemnified against any liability, incurred by them or him in defending any proceeding whether civil or criminal in which judgement is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 463 of the Act in which relief is given to him by the Court and without prejudice to the generality of the foregoing, it is hereby expressly declared that the Company shall pay and bear all fees and other expenses incurred or incurable by or in respect of any Director for filing any return, paper or document with the Registrar of Companies, or complying with any of the provisions of the Act in respect of or by reason of his office as a Director or other officer of the Company.</p>
	<p><b>205.</b></p>	<p>Subject to the provisions of Section 197 of the Act, no Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer, or for joining in any receipt or other act for conformity for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the Company, or for the insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the Company or for the insufficiency or deficiency of any money invested, or for any loss or damages arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight on his part of for any loss or damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own</p>

		act or default.
<b>SECRECY CLAUSE</b>	<b>206.</b>	<p>a. No member shall be entitled to visit or inspect the Company's works without the permission of the Directors or Managing Director or to require discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or which may relate to the conduct of the business of the Company and which, in the opinion of the Directors, will be inexpedient in the interests of the Company to communicate to the public.</p> <p>b. Every Director, Managing Director, Manager, Secretary, Auditor, Trustee, Members of a Committee, Officers, Servant, Agent, Accountant or other person employed in the business of the Company, shall, if so required by the Directors before entering upon his duties, or at any time during his term of office sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of accounts and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of duties except when required so to do by the Board or by any General Meeting or by a Court of Law or by the persons to whom such matters relate and except so far as may be necessary, in order to comply with any of the provisions contained in these Articles.</p>
<b>REGISTERS, INSPECTION AND COPIES THEREOF</b>	<b>207.</b>	<p>a. Any Director or Member or person can inspect the statutory registers maintained by the company, which may be available for inspection of such Director or Member or person under provisions of the act by the company, provided he gives fifteen days notice to the company about his intention to do so.</p> <p>b. Any ,Director or Member or person can take copies of such registers of the company by paying Rs. 10 per page to the company. The company will take steps to provide the copies of registers to such person within Fifteen days of receipt of money.</p>
<b>GENERAL AUTHORITY</b>	<b>208.</b>	Wherever in the applicable provisions under the Act, it has been provided that, any Company shall have any right, authority or that such Company could carry out any transaction only if the Company is authorised by its Articles, this regulation hereby authorises and empowers the Company to have such right, privilege or authority and to carry out such transaction as have been permitted by the Act without there being any specific regulation or clause in that behalf in this articles.

## **SECTION X – OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of the Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the 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 109 to 112A, 1st Floor Supermall, Nr. Lal Bungalow, C.G. Road, Ahmedabad - 380009 from date of filing the Prospectus with ROC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

#### **Material Contracts**

1. Issue agreement dated January 25, 2021 between our Company and the Lead Manager.
2. Agreement dated January 25, 2021 between our Company and the Registrar to the Issue.
3. Underwriting Agreement dated January 25, 2021 between our Company, Lead Manager, and Underwriters.
4. Market Making Agreement dated January 25, 2021 between our Company, Lead Manager and Market Maker.
5. Banker's to the Issue Agreement dated [•] between our Company, the Lead Manager, Banker to the Issue and the Registrar to the Issue.
6. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated February 07, 2019.
7. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated February 12, 2019.

#### **Material Documents**

1. Certified true copy of the Certificate of Incorporation, Memorandum and Articles of Association of our Company as amended.
2. Board resolution dated August 26, 2020 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 24, 2020.
3. Statement of Tax Benefits dated January 18, 2021 issued by M/s. Bhagat & Co., Chartered Accountants
4. Copies of Audited Financial Statements of our Company for the period ended on September 30, 2020 years ended March 31, 2020, 2019& 2018.

5. Copy of Restated Standalone Financial Statement from the peer review auditor certified by M/s. Bhagat & Co., Chartered Accountants, dated January 18, 2021, included in the Draft Prospectus for period ended on September 30, 2020 and Financial Year ended March 31, 2020, 2019 & 2018.
6. Consents of Promoters, Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory and Peer Review Auditor, Legal Advisor to the Issue, Lead Manager to the Issue, Registrar to the Issue, Underwriters, Market Maker, Banker to the Issue and Banker to the Company to include their names in the Draft Prospectus to act in their respective capacities.
7. Due Diligence Certificate dated January 25, 2021 from the Lead Manager filed with BSE.
8. Copy of Approval dated [•] from the SME Platform of BSE.

Any of the contracts or documents mentioned in the Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, with the consent of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We hereby declare that all the relevant provisions of the Companies Act, 1956 / Companies Act, 2013 and the guidelines /Regulations issued by the Government of India or guidelines/ regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 1956 / Companies Act, 2013 the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Draft Prospectus are true and correct.

**Signed by the Directors of the Company:**

<b>Name</b>	<b>Designation</b>	<b>Signature</b>
Mr. Saremal Soni	Chairman Cum Managing Director	Sd/-
Mr. Dinesh Soni	Managing Director	Sd/
Mr. Jitendra Soni	Joint Managing Director	Sd/
Mr. Mukeshkumar Mandaliya	Independent Director	Sd/
Mrs. Alka Kamdar	Independent Director	Sd/
Mr. Rushikesh Patel	Independent Director	Sd/

**Signed by:**

<b>Name</b>	<b>Designation</b>	<b>Signature</b>
Mr. Paresh Acharya	Chief Financial Officer	Sd/-

**Place: Ahmedabad**

**Date: January 25, 2021**