

PARSHVA  
ENTERPRISES**PARSHVA ENTERPRISES LIMITED**

Corporate Identification Number: U51909MH2017PLC297910

Our Company was originally incorporated as a public limited company under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, dated July 27, 2017 with the name 'Parshva Enterprises Limited'. For details of changes in registered office please refer "History and Certain Other Corporate Matters" on page 74.

Registered Office: 811, A Wing, Jaswanti Allied Business Centre, Ramchandra Lane Extn., Malad West, Mumbai – 400064, Maharashtra, India

Tel: +91 22 4972 9700; Website: www.parshvaenterprises.co.in; E-mail: info@parshvaenterprises.co.in

Contact Person: Sneha Y. Shah, Company Secretary and Compliance Officer

**PROMOTER: PRASHANT A. VORA**

**PUBLIC ISSUE OF 8,10,000 EQUITY SHARES OF FACE VALUE OF ₹10.00 EACH OF PARSHVA ENTERPRISES LIMITED ("OUR COMPANY" OR "THE ISSUER") FOR CASH AT A PRICE OF ₹45 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹35 PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING TO ₹364.50 LAKHS ("THE ISSUE"). OF THE ISSUE, 42,000 EQUITY SHARES AGGREGATING TO ₹18.90 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 7,68,000 EQUITY SHARES OF FACE VALUE OF ₹10.00 EACH AT AN ISSUE PRICE OF ₹45 PER EQUITY SHARE AGGREGATING TO ₹345.60 LAKHS IS HERINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.91% AND 25.51%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER "TERMS OF THE ISSUE" ON PAGE 134.**

**THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 ("SEBI (ICDR) REGULATIONS"), AS AMENDED. IN TERMS OF RULE 19(2)(b) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED. THIS IS AN ISSUE FOR AT LEAST 25% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 253 OF SEBI (ICDR) REGULATIONS, AS AMENDED. FOR FURTHER DETAILS, PLEASE REFER "ISSUE PROCEDURE" ON PAGE 139.**

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. Further, Securities and Exchange Board of India vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated Nov 1, 2018 (copy attached) has introduced the use of Unified Payments Interface (UPI) as a payment mechanism with Application Supported by Block Amount (ASBA) for applications in public issues by retail individual investors. Hence w.e.f. January 01, 2019, the UPI mechanism for Retail Individual Investors through Intermediaries will be made effective along with the existing ASBA process. For details in this regard, specific attention is invited to "Issue Procedure" on page 139. A copy of the Prospectus will be delivered for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013.

**THE FACE VALUE OF THE EQUITY SHARES IS ₹10.00 EACH AND THE ISSUE PRICE OF ₹45 IS 4.50 TIMES OF THE FACE VALUE****RISKS IN RELATION TO THE FIRST ISSUE**

This being the first issue of the Issuer, there has been no formal market for the securities of our Company. The face value of the Equity Shares of our Company is ₹10.00. The Issue Price should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company nor regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISK**

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 Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Prospectus. **Specific attention of the investors is invited to the statement of 'Risk Factors' given on page 18 under the section 'General Risks'.**

**ISSUER'S ABSOLUTE RESPONSIBILITY**

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

**LISTING**

The Equity Shares offered through this Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE"). Our Company has received an approval letter dated [●] from BSE 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 BSE.

**LEAD MANAGER TO THE ISSUE****INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED**2<sup>nd</sup> Floor, Viraj Tower, Nr. Andheri Flyover (North End),  
Western Express Highway, Andheri (East) Mumbai – 400 069

Tel No: +91 22 4075 1500

Fax No: +91 22 4075 1511

Email: sme.ipo@inventuremerchantbanker.com

Investor Grievance Email: redressal@inventuremerchantbanker.com

Website: www.inventuremerchantbanker.com

SEBI Registration No: INM000012003\*

Contact Person: Arvind Gala

**REGISTRAR TO THE ISSUE****BIG SHARE SERVICES PRIVATE LIMITED**1st floor, Bharat Tin Works Building, Opp. Vasant Oasis,  
Makwana Road, Marol, Andheri (East),  
Mumbai- 400 059, Maharashtra, India

Tel. No.: +91 22 6263 8200

Fax No.: +91 22 6263 8299

Email: ipo@bigshareonline.com

Website: www.bigshareonline.com

SEBI Registration No: INR000001385

Contact Person: Babu Raphael

**ISSUE PROGRAMME**

ISSUE OPENS ON:

[●]

ISSUE CLOSES ON:

[●]

\* The certificate of registration of Inventure Merchant Banker Services Private Limited as Merchant banker bearing number INM000012003 was valid for a period of five years effective from August 30, 2012 until August 29, 2017. Inventure Merchant Banker Services Private Limited has made an application to SEBI vide application dated June 7, 2017 in terms of Regulation 8A, under SEBI (Merchant Bankers) Regulation, 1992 for renewal of its said merchant banking license and for grant of permanent registration and has paid requisite fees of ₹9,00,000 (Rupees Nine Lakhs only) in accordance with schedule II of the SEBI (Merchant Bankers) Regulation, 1992.

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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, regulation, rules, guidelines or our Articles of Association, Memorandum of Association, policies shall be to such legislation, act or regulation, as amended 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, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.*

*Notwithstanding the foregoing in ‘Main Provisions of the Articles of Association’, ‘Summary of Our Business’, ‘Our Business’, ‘Risk Factors’, ‘Industry Overview’, ‘Key Regulations and Policies in India’, ‘Financial Information’, ‘Outstanding Litigation and Material Developments’ and ‘Part B’ of ‘Issue Procedure’, defined terms, will have the meaning ascribed to such terms in these respective sections.*

### General Terms

Term	Description
“Parshva Enterprises Limited”, “PEL” or “our Company” or “the Issuer”	Unless the context otherwise requires, refers to Parshva Enterprises Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at 811, A Wing, Jaswanti Allied Business Centre, Ramchandra Lane Extn., Malad West, Mumbai – 400064, Maharashtra, India.
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, our Company.
“you”, “your” or “yours”	Prospective investors in this Issue.

### Company Related Terms

Term	Description
AOA/Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of our Company, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Regulation 18 of the SEBI (LODR) Regulations and Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014.
Board/ Board of Directors / Our Board	The Board of Directors of our Company, including all duly constituted Committees thereof.
Director(s)	Director(s) on the Board of our Company, as appointed from time to time, unless otherwise specified.
Equity Shareholders	The holders of the Equity Shares.
Equity Shares/Shares	The equity shares of our Company of a face value of ₹10.00 each unless otherwise specified in the context thereof.
Group Companies / Group Entities	Companies/ Entities with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and as disclosed in “ <i>Our Group Entities</i> ” on page 89.
Independent Directors	Independent Directors on our Board, and eligible to be appointed as independent directors under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. For details of the Independent Directors, see “ <i>Our Management</i> ” beginning on page 77.
Key Management Personnel / KMP	Key management personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI (ICDR) Regulations. For details, please refer “ <i>Our Management</i> ” on page 77.
MoA / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on April 4, 2019, in accordance with the requirements of the SEBI (ICDR) Regulations, 2018.

Nomination and Remuneration Committee.	The nomination and remuneration committee of our Board constituted in accordance with the Companies Act, 2013 and the SEBI (LODR) Regulations.
Peer Reviewed Auditor	The Peer Reviewed Auditor of our company, being M/s. Choudhary Choudhary & Co., Chartered Accountants.
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(pp) of the SEBI (ICDR) Regulations.
Promoter	Prashant A. Vora
Registered Office	The registered office of our Company situated at 811, A Wing, Jaswanti Allied Business Centre, Ramchandra Lane Extn., Malad West, Mumbai – 400064, Maharashtra, India.
Restated Financial Statements	The restated financial information of our Company which comprises of the restated balance sheet, the restated profit and loss information and the restated cash flow information, for the financial years ended March 31, 2019 and period from July 27, 2017 to March 31, 2018 together with the annexures and notes thereto, which have been prepared in accordance with the Companies Act, the Indian GAAP and restated in accordance with the SEBI (ICDR) Regulations.
Stakeholders' Relationship Committee	Stakeholder's relationship committee of our Company constituted in accordance with Regulation 20 of the SEBI (LODR) Regulations and Companies Act, 2013.
Statutory Auditor	The Statutory Auditor of our Company, being M/s. Choudhary Choudhary & Co., Chartered Accountants.

### Issue Related Terms

Term	Description
Acknowledgement Slip	The slip, document or counter foil issued by the Designated Intermediary to an Applicant as proof of having accepted the Application Form.
Allot / Allotment /Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity Shares to the successful Applicants.
Allottee	A successful Applicant to whom the Equity Shares are Allotted.
Applicant	Any prospective investor who makes an application pursuant to the terms of the Draft Prospectus and the Application Form.
Application	An indication to make an offer during the Issue Period by an Applicant, pursuant to submission of Application Form, to subscribe for or purchase our Equity Shares at the Issue Price including all revisions and modifications thereto, to the extent permissible under the SEBI (ICDR) Regulations.
Application Amount	The number of Equity Shares applied for and as indicated in the Application Form multiplied by the price per Equity Share payable by the Applicants on submission of the Application Form.
Application Form	The form in terms of which an Applicant shall make an Application and which shall be considered as the application for the Allotment pursuant to the terms of the Prospectus.
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by an Applicant authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB.
ASBA Account	Account maintained with an SCSB and specified in the Application Form which will be blocked by such SCSB to the extent of the appropriate Application Amount in relation to an Application by an Applicant.
ASBA Applicant(s)	Any prospective investors in this Issue who applies for Equity Shares of our Company through the ASBA process in terms of the Prospectus.
Bankers to the Issue/ Public Issue Bank	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being [●].
Banker to the Issue Agreement	Agreement to be entered into amongst the Company, LM, the Registrar, Sponsor Bank and the Banker of the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue, described in "Issue Procedure" on page 142.
Broker Centres	Broker centres notified by the Stock Exchange, where the Applicants can submit the Application Forms to a Registered Broker. The details of such broker centres, along with the name and contact details of the Registered Brokers, are available on the website of BSE on the following link <a href="http://www.bseindia.com">www.bseindia.com</a> .
Broker to the Issue	All recognized members of the stock exchange would be eligible to act as the Broker to the Issue.

<b>Term</b>	<b>Description</b>
BSE SME	The SME platform of BSE Limited, approved by SEBI as an SME Exchange for listing of equity shares Issued under Chapter IX of the SEBI (ICDR) Regulations, 2018.
CAN / Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Applicant who has been or is to be Allotted the Equity Shares after approval of the 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 Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Collection Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms.
Compliance Officer	The Company Secretary of our Company, being Priyanka Dusad.
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchange and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The details of the Applicants including the Applicants' address, names of the Applicants' father/husband, investor status, occupations and bank account details.
Depository / Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996.
Depository Participant / DP	A depository participant as defined under the Depositories Act.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange ( <a href="http://www.nseindia.com">www.nseindia.com</a> ).
Designated Date	The date on which the amounts blocked by the SCSBs are transferred from the ASBA Accounts to the Public Issue Account or unblock such amounts, as appropriate in terms of the Prospectus.
Designated Intermediaries / Collecting Agent	An SCSB with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Registered Broker, Designated CDP Locations for CDP, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity).
Designated Market Maker / Market Maker	In our case, SERNET Financial Services Private Limited.
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the website of the Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> ).
Designated SCSB Branches	Such branches of the SCSBs which collected the ASBA Application Form from the applicants and a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE Limited.
Draft Prospectus / DP	This Draft Prospectus dated April 10, 2019, filed with BSE Limited in accordance with the SEBI (ICDR) Regulations, 2018.
Eligible NRI	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe for the Equity Shares.
Equity Shares	Equity Shares of our Company of face value Rs. 10/- each
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
Eligible QFI	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened dematerialised accounts with SEBI registered qualified depository participants as QFIs and are deemed as FPIs under the SEBI FPI Regulations.
First Applicant	The Applicant whose name appears first in the Application Form or the Revision Form.
General Information	The General Information Document for investing in public issues prepared and issued in

<b>Term</b>	<b>Description</b>
Document	accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by the SEBI and (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018.
Issue / Public issue / Issue size / Initial Public issue / Initial Public Offer / Initial Public Offering / IPO	Public issue of 8,10,000 Equity Shares of face value of ₹10.00 each of our Company for cash at a price of ₹45 per Equity Share (including a share premium of ₹35 per Equity Share) aggregating to ₹364.50 lakhs by our Company, in terms of this Draft Prospectus.
Issue Agreement / MoU	The agreement dated April 9, 2019 entered into amongst our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	The date on which the Issue closes for subscription. In this case being [●]
Issue Opening Date	The date on which the Issue opens for subscription. In this case being [●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which prospective Applicants can submit their Applications, including any revisions thereof.
Issue Price	The price at which Equity Shares are being issued by our Company being ₹45 per Equity Share.
Lead Manager / LM	The lead manager to the Issue, in this case being Inventure Merchant Banker Services Private Limited.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the SME Platform of BSE.
Market Maker Reservation Portion	42,000 Equity Shares of ₹10.00 each at ₹45 per Equity Share aggregating to ₹35 lakhs reserved for subscription by the Market Maker.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 7,68,000 Equity Shares of face value of ₹10.00 each at an Issue Price of ₹45 per equity share aggregating to ₹345.60 lakhs.
Net Proceeds	Proceeds of the Issue that will be available to our Company, which shall be the gross proceeds of the Issue less the issue expenses.
Non-Institutional Investors / NIIs	All Applicants, including Category III FPIs that are not QIBs or Retail Individual Investors who have made Application for Equity Shares for an amount of more than ₹2,00,000 (but not including NRIs other than Eligible NRIs).
Prospectus	The Prospectus to be filed with the RoC for this Issue in accordance with the provisions of Section 26 of the Companies Act, 2013 and the SEBI (ICDR) Regulations, including any addenda or corrigenda thereto.
Public Issue Account	The account to be opened with the Banker to the Issue under Section 40 of the Companies Act, 2013 to receive monies from the ASBA Accounts on the Designated Date.
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI (ICDR) Regulations.
Refund Account(s)	Accounts to which the monies to be refunded to the Applicants is transferred from the Public Issue Account in case listing of the Equity Shares does not occur.
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals.
Registrar Agreement	The Agreement between the Registrar to the Issue and the Issuer Company dated April 10, 2019, in relation to the responsibilities and obligations of the Registrar to the Issue 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 to the Issue	The Registrar to the Issue being Bigshare Services Private Limited.
Retail Individual Investors/ RIIs	Applicants (including HUFs, in the name of Karta and Eligible NRIs) whose Application Amount for Equity Shares in the Issue is not more than ₹2,00,000/-.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s), as applicable.
Self Certified Syndicate Banks or SCSBs	Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at www.sebi.gov.in and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
SME Platform of BSE / SME Exchange / Stock Exchange / BSE SME	The SME platform of BSE, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter IX of the SEBI (ICDR) Regulations.

Term	Description
Sponsor Bank	[●], being a Banker to the Offer, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIBs into the UPI, and carry out other responsibilities, in terms of the SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 issued by SEBI
Underwriters	Inventure Merchant Banker Services Private Limited
Underwriting Agreement	The agreement dated April 10, 2019 entered into among the Underwriter and our Company.
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI ID	ID created on the UPI for single-window mobile payment system developed by NPCI
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI application and by way of a SMS directing the RIB to such UPI mobile application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI Regulations.
Working Day(s)	“Working Day” means all days on which commercial banks in Mumbai are open for business. However, in respect of - (a) announcement of Price Band; and (b) Bid/Issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchange, working day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

#### Technical / Industry Related Terms /Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF(s)	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
Air Act	Air (Prevention and Control of Pollution) Act, 1981
AS / Accounting Standards	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
Authorised Dealers	Authorised Dealers registered with RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000
AY	Assessment Year
B. A.	Bachelor of Arts
B.Com	Bachelor of Commerce
Banking Regulation Act	Banking Regulation Act, 1949
BE	Bachelor Degree in Engineering
BIFR	Board of Industrial and Financial Reconstruction
Bn	Billion
BSc	Bachelor Degree in Science
BSE	BSE Limited (formerly known as Bombay Stock Exchange Limited)
CAGR	Compounded Annual Growth Rate
Carat	The carat, is a unit of mass equal to 200 mg and is used for measuring gemstones and pearls.
Category I Foreign Portfolio Investor(s)	FPIs registered as Category I Foreign Portfolio Investors under the SEBI FPI Regulations.
Category II Foreign Portfolio Investor(s)	An FPI registered as a category II foreign portfolio investor under the SEBI FPI Regulations
Category III Foreign Portfolio Investor(s)	FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CBEC	Central Board of Excise and Customs
CC	Cash Credit



<b>Term</b>	<b>Description</b>
CDSL	Central Depository Services (India) Limited
Central Sales Tax Act	Central Sales Tax Act, 1956
CENVAT	Central Value Added Tax
CEO	Chief Executive Officer
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CFO	Chief Financial Officer
CII	Confederation of Indian Industry
CIN	Company Identification Number
CIT	Commissioner of Income Tax
CIT(A)	Commissioner of Income Tax (Appeals)
CLRA	Contract Labour (Regulation and Abolition) Act, 1979
Companies Act	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Companies Act 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections)
Companies Act 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Consolidated FDI Policy	The current consolidated FDI Policy, effective from June 7, 2016, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
Copyright Act	The Copyright Act, 1957
CS	Company Secretary
CSR	Corporate Social Responsibility
DB	Designated Branch
Depositories Act	Depositories Act, 1996
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
DP	Depository Participant
DP ID	Depository Participant's identity number
EBIDTA	Earnings before interest, depreciation, tax, amortization and extraordinary items
ECB	External Commercial Borrowings
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
Environment Protection Act	Environment Protection Act, 1986
EPF Act	Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPFO	Employees' Provident Fund Organisation
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
ESIC	Employees' State Insurance Corporation
ESOP	Employee Stock Ownership Plan
ESPS	Employee Stock Purchase Scheme
F&NG	Father and Natural Guardian
F&O	Futures and Options
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA 20	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time
FII(s)	Foreign Institutional Investors as defined under SEBI FPI Regulations
Financial Year / Fiscal /	The period of 12 months commencing on April 1 of the immediately preceding calendar

<b>Term</b>	<b>Description</b>
Fiscal Year / FY	year and ending on March 31 of that particular calendar year
FIPB	Foreign Investment Promotion Board
FIs	Financial Institutions
FMC	Forward Market Commission
Foreign Portfolio Investor or FPIs	A foreign portfolio investor, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India.
FTA	The Foreign Trade (Development and Regulation) Act, 1992
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors), 2000, as amended from time to time
GDP	Gross Domestic Product
GIA	Gemological Institute of America
GIR Number	General Index Registry Number
GoI/Government	Government of India
GST	Goods & Services Tax
HNI	High Net worth Individual
HUF(s)	Hindu Undivided Family(ies)
I.T. Act	Income Tax Act, 1961, as amended from time to time
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
IMF	International Monetary Fund
IMS	IMS Health
Income Tax Act	Income Tax Act, 1961
Indian GAAP	Generally Accepted Accounting Principles in India
INR or Rupee or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.
IPO	Initial Public Offering
IPR	Intellectual Property Rights
IRDA	Insurance Regulatory and Development Authority
ISIN	International Securities Identification Number
ISO	International Standards Organization
IT Act	Income Tax Act, 1961 as amended from time to time except as stated otherwise
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules
JV	Joint Venture
KMP	Key Managerial Personnel
KW	Kilo Watt
L/C	Letter of Credit
LIBOR	London interbank offered rate
Ltd.	Limited
MAPIN	Market Participants and Investors' Integrated Database
MCA	The Ministry of Corporate Affairs, GoI
MCI	Ministry of Commerce and Industry, GoI
MD	Managing Director
MICR	Magnetic Ink Character Recognition
Mn	Million
MNC	Multi National Company
MoEF	Ministry of Environment and Forests
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NA	Not Applicable

Term	Description
NAV	Net asset value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Net Worth	The aggregate of the paid-up share capital, securities premium account and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and debit balance of the profit and loss account
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India.
NIFTY	National Stock Exchange Sensitive Index
No.	Number
NOC	No Objection Certificate
Non Resident	A person resident outside India, as defined under FEMA Regulations
Non-Resident Indian/ NRI	A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulations, as amended
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect
NPV	Net Present Value
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes a Non-resident Indian
NRE Account	Non-Resident External Account established and operated in accordance with the FEMA
NRO Account	Non-Resident Ordinary Account established and operated in accordance with the FEMA
NSDL	National Securities Depository Limited
BSE	The BSE Limited
NTA	Net Tangible Assets
NWR	Negotiable Warehouse Receipt
OCB	Overseas Corporate Bodies
OD	Overdraft
Overseas Corporate Body / OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000. <b>OCBs are not allowed to invest in this Issue.</b>
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent account number
PAT	Profit after tax
Patents Act	Patents Act, 1970
PBT	Profit Before Tax
Person or Persons	Any Individual, Sole Proprietorship, Unincorporated Association, Unincorporated Organization, Body Corporate, Corporation, Company, Partnership Firm, Limited Liability Partnership, Joint Venture, or Trust or Any Other Entity or Organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
POA	Power of Attorney
PPP	Public private partnership
Pvt./(P)	Private
QFI(s)	Qualified Foreign Investor(s) as defined under the SEBI FPI Regulations
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934 , as amended from time to time
RERD Act	Real Estate (Regulation and Development) Act, 2016
RoC or Registrar of Companies	The Registrar of Companies, Maharashtra, Mumbai
ROE	Return on Equity
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time

<b>Term</b>	<b>Description</b>
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
SEBI (FPI) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI (ICDR) Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI (VCF) Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as amended from time to time.
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
Sec.	Section
Securities Act	The U.S Securities Act as amended from time to time
SENSEX	Bombay Stock Exchange Sensitive Index
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SME	Small and Medium Enterprise
SSI	Small Scale Industry
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
TPH	Tonnes per hour
Trademarks Act	The Trademarks Act, 1999
TRS	Transaction Registration Slip
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	The United States Securities Act, 1933
u/s	Under Section
UIN	Unique Identification Number
UOI	Union of India
US\$ or USD or US Dollar	United States Dollar, the official currency of the United States of America
USA or U.S. or US	United States of America
VAT	Value Added Tax
VCF	Venture Capital Funds
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
w.e.f	With effect from
Water Act	Water (Prevention and Control of Pollution) Act, 1974
WDV	Written Down Value
WTD	Whole-time Director
YoY	Year over year

## CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

### Certain Conventions

In this Draft Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, unless the context otherwise indicates or implies, refers to Parshva Enterprises Limited.

### Use of Financial Data

Unless stated otherwise, the financial data in this Draft Prospectus is derived from our Restated Financial Statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, and set out in *Financial Statements* on page 93. Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year are to the 12 month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

There are significant differences between the Indian GAAP, the International Financial Reporting Standards (the “IFRS”) and the Generally Accepted Accounting Principles in the United States of America (the “U.S. GAAP”). Accordingly, the degree to which the financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, the Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations on the financial disclosures presented in this Draft Prospectus should accordingly be limited. We have not attempted to quantify the impact of the IFRS or the U.S. GAAP on the financial data included in this Draft Prospectus, nor do we provide a reconciliation of our financial statements to those under the U.S. GAAP or the IFRS and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Certain figures contained in this Draft Prospectus, including financial information, have been subject to rounding adjustments. All decimals have been rounded off to two decimal points, except for figures in percentage. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Prospectus as rounded-off to such number of decimal points as provided in such respective sources.

### Currency and units of presentation

In this Draft Prospectus, unless the context otherwise requires, all references to (a) ‘Rupees’ or ‘₹’ or ‘Rs.’ or ‘INR’ are to Indian rupees, the official currency of the Republic of India; (b) ‘US Dollars’ or ‘US\$’ or ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America. All references to the word ‘Lakh’ or ‘Lac’ or ‘Lacs’, 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’. Any percentage amounts, as set forth in *Risk Factors*, *Our Business*, *Management's Discussion and Analysis of Financial Conditions and Results of Operation* and elsewhere in this Draft Prospectus, unless otherwise indicated, have been calculated based on our Restated Financial Statements.

### Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Prospectus has been obtained or derived from internal Company reports and industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although, our Company believes that industry data used in this Draft Prospectus is reliable, it has not been independently verified. Further, the extent to which the industry and market data presented in this Draft Prospectus is meaningful depends on the reader's familiarity with and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

## FORWARD-LOOKING STATEMENTS

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

These forward looking statements can generally be identified by words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions. 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 and national and international economies;
- Inability to identify or acquire new clients;
- our ability to successfully implement strategy, growth and expansion plans and technological initiatives;
- our ability to respond to technological changes;
- our ability to attract and retain qualified personnel;
- the effect of wage pressures, hiring patterns and the time required to train and productively utilize new employees;
- general social and political conditions in India which have an impact on our business activities or investments;
- potential mergers, acquisitions restructurings and increased competition;
- occurrences of natural disasters or calamities affecting the areas in which we have operations;
- market fluctuations and industry dynamics beyond our control;
- changes in the competition landscape;
- our ability to finance our business growth and obtain financing on favourable terms;
- our ability to manage our growth effectively;
- our ability to compete effectively, particularly in new markets and businesses;
- changes in laws and regulations relating to the industry in which we operate changes in government policies and regulatory actions that apply to or affect our business;
- developments affecting the Indian economy; and
- Inability to meet our obligations, including repayment, financial and other covenants under our debt financing arrangements.

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 18, 67 and 112 respectively.

Forward looking statements reflects views as of the date of this Draft Prospectus and not a guarantee of future performance. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company / our Directors nor the Lead Manager, nor any of its 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. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the listing and trading permission is granted by the Stock Exchange.

## SECTION II - SUMMARY OF THE OFFER DOCUMENT

### A. Summary of Business & Industry:

#### *Summary of Business:*

We are mainly engaged in the wholesale supply and trading of precious stones, primarily cut and polished diamonds. We also deal in gold jewellery. We also sell our products to our clients domestically. We are located in Mumbai, which is an established jewellery market which give us an added advantage in terms of procurement. We deal in variety of diamonds which include both rough and polished diamonds. We buy and sell diamonds in local markets as per the demand. We also sell diamonds of multiple categories based on different shapes, size, cut and fancy color. We mainly deal in diamonds of 0.10 – 5.0 carats. We are also engaged in gold jewellery business. We primarily sell gold jewellery i.e. Chains, Bangles, Necklace, Pendants, Bracelet, Earrings and other jewellery studded or non-studded with pearls, diamonds and other precious stones.

We are also engaged in investment in real estate properties in Mumbai for the purpose of selling them for trading gains. In our real estate business we are focused on Maharashtra and Gujarat. We invest in both residential and commercial properties based on our own study of the market. We are also involved in real estate broking. We deal in range of properties and apartments of varying sizes, with a focus on the middle and higher end of the market. Our investment may be by way of a registered deed or by way of an agreement to sale / allotment letter without registration. We have currently invested in commercial property situated at Malad West, Mumbai admeasuring about 23.23 sq. meter.

#### *Summary of Industry:*

Gold demand in India rose to 523.93 tonnes between January to September 2018. India's gems and jewellery exports stood at US\$ 20.73 billion between Apr-Nov\*. During the same period, exports of cut and polished diamonds stood at US\$ 16.55 billion, thereby contributing about 79.84 per cent of the total gems and jewellery exports in value terms. Exports of gold coins and medallions stood at US\$ 258.35 million and silver jewellery export stood at US\$ 503.17 million between Apr-Nov 2018. The gems and jewellery market in India is home to more than 300,000 players, with the majority being small players. Its market size is about US\$ 75 billion as of 2017 and is expected to reach US\$ 100 billion by 2025. It contributes 29 per cent to the global jewellery consumption.

Real estate sector in India is expected to reach a market size of US\$ US\$ 1 trillion by 2030 from US\$ 120 billion in 2017 and contribute 13 per cent of the country's GDP by 2025. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs. Sectors such as IT and ITeS, retail, consulting and e-commerce have registered high demand for office space in recent times. Commercial office stock in India is expected to cross 600 million square feet by 2018 end while office space leasing in the top eight cities is expected to cross 100 million square feet during 2018-20. Gross office absorption in top Indian cities has increased 26 per cent year-on-year to 36.4 million square feet between Jan-Sep 2018. Co-working space across top seven cities has increased sharply in 2018 (up to September), reaching 3.44 million square feet, compared to 1.11 million square feet for the same period in 2017.

### B. Promoters:

Prashant A. Vora is the Promoter of our Company.

### C. Issue Size:

This is a fresh issue of Equity Shares. Initial Public Offer is of 8,10,000 Equity Shares of face value of ₹ 10 each of the Company for cash at a price of ₹ 45 per Equity Share (including a share premium of ₹ 35 per Equity Share) aggregating upto ₹364.50 lakhs.

### D. Objects of the Issue:

Sr. No.	Object	Amount Proposed to be Utilised from the Net Proceeds (₹ in lakhs)
1.	Meeting Additional Working Capital Requirements	344.50
2.	To meet Issue Expenses	20.00
	<b>Total</b>	<b>364.50</b>

**E. Pre-Issue Shareholding of Promoters, Promoter Group:**

Particulars	Pre Issue	
	No. of Shares	% Holding
<b>Promoter</b>		
Prashant A. Vora	13,19,980	60.00%
<b>Promoter Group</b>		
Seemaben P. Vora	5,35,000	24.32%
Vora Prashantbhai Avantilal (HUF)	2,30,010	10.46%
Virti Enterprises Private Limited	50,000	2.27%
Harsh P. Vora	30,000	1.36%
Kinjal P Vora	30,000	1.36%
Nirmalaben A. Vora	5,000	0.23%
Vora Securities LLP	10	0.00%
<b>Total</b>	<b>22,00,000</b>	<b>100.00%</b>

**F. Summary of Financial Information:**

(₹ in Lakhs)

Particulars	31.03.19	31.03.18
Share Capital	220.00	200.00
Net Worth	320.16	201.04
Revenue	713.32	477.21
Profit After Tax	30.04	3.88
Earning Per Share (Basic & Diluted) (in ₹)	1.50	0.40
NAV per Equity Share (in ₹)	14.55	10.05
Total Borrowings	23.06	0.00

**G. Auditor qualifications which have not been given effect to in the Restated Financial Information:**

There are no auditor qualifications which would require adjustments in the Restated Financial Information and for which no such effect has been given.

**H. Summary of Outstanding Litigations:**

There are no outstanding litigations involving our Company, our Promoter, our Directors or Group Entities. For further details regarding the same, please refer to the chapter titled ‘Outstanding Litigations and Material Developments’ beginning on page 117 of the Draft Prospectus.

**I. Risk Factors:**

Please see ‘Risk Factors’ beginning on page 18.

**J. Summary of Contingent Liabilities of our Company:**

We do not have any contingent liabilities as on March 31, 2019.

**K. Summary of Related Party Transactions:**

For further details please refer “Annexure V- Related Party Transaction” on page 109, under the section titled “Financial Information” beginning on page 93 of this Draft Prospectus.

**L. Financing Arrangements:**

There are no financing arrangements wherein the Promoters, Promoter Group, the Directors of our Company and their relatives, have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of the Draft Prospectus.



**M. Weighted Average Price of the Equity Shares acquired by the Promoter in the last one year preceding the date of this Draft Prospectus:**

The weighted average price of the Equity Shares acquired by the Promoter in the last one year preceding the date of this Draft Prospectus is ₹9.47 per Equity Share.

**N. Average cost of acquisition of shares for promoter:**

Name of the Promoter	No. of Equity Shares held	Average cost of Acquisition (in ₹)
Prashant A. Vora	13,19,980	9.92

**O. Pre-IPO Placement:**

The Company does not intend to undertake Pre-IPO Placement in the Issue.

**P. Issue of equity shares made in last one year for consideration other than cash**

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Prospectus.

**Q. Split / Consolidation of Equity Shares in the last one year**

There were no split / consolidation of the Equity Shares of our Company since incorporation.

### SECTION III - RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties summarised below, before making an investment in our Equity Shares. The risks described below are relevant to, the industries our Company is engaged in, our Company and our Equity Shares. To obtain a complete understanding of our Company, you should read this section in conjunction with 'Our Business' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' on pages 67 and 112 respectively, as well as the other financial and statistical information contained in this Draft Prospectus. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in 'Consolidated Financial Statements' on page 93. Unless stated otherwise, the financial data in this section is as per our financial statements prepared in accordance with Indian GAAP, as restated.

If any one or more of the following risks as well as other risks and uncertainties discussed in this Draft Prospectus were to occur, our business, financial condition and results of our operation could suffer material adverse effects, and could cause the trading price of our Equity Shares and the value of investment in the Equity Shares to materially decline which could result in the loss of all or part of your investment.

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 many factors, including the considerations described below and elsewhere in this Draft Prospectus.

These risks are not the only ones that our Company face. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any risks mentioned herein.

#### Materiality

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

1. Some risks may not be material individually but may be material when considered collectively.
2. Some risks may have an impact which is qualitative though not quantitative.
3. Some risks may not be material at present but may have a material impact in the future.

#### INTERNAL RISKS

1. **Our Company had negative cash flow in recent fiscals, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.**

(₹ in lacs)

Cash flow from	FY 31.03.19	For the Period from 27.7.17 to 31.03.18
Operating activities	(120.39)	(158.71)
Investing activities	(15.30)	(17.22)

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flow, it may adversely affect our business and financial operations. For further details please refer to the section titled 'Financial Information' and chapter titled 'Management's Discussion and Analysis of Financial Condition and Results of Operations' beginning on page numbers 93 and 112, respectively, of the Draft Prospectus.

2. **We have not entered into any long-term contracts with any of our customers.**

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

3. **We and our Promoter have limited history of operating in gems and jewellery industry and real estate industry.**

***If we are not successful in managing our growth, our business may be disrupted and our profitability may be reduced.***

We and our Promoter have limited history of operating in gems and jewellery industry. We further don't have enough operational history in the business of real estate wherein we have ventured in the FY 2019 only. There may be many unforeseen challenges in the business and they may pose bigger risk due to our inexperience. Our business and financial position may be adversely affected to the extent we are not able to deal with these business challenges in a timely and effective manner. Although, we plan to continue to expand our scale of operations, we may not grow at a rate comparable to our growth rate in the past or the growth of the industry, either in terms of income or profit.

We have a limited operational history. Our results may vary from year to year due to various factors. You should not rely on our past financial results for any year as indicators of future performance. Our future growth is subject to risks arising from a rapid increase in order volume, and inability to retain and recruit skilled staff. Although, we plan to continue to expand our scale of operations, we may not grow at a rate comparable to our growth rate in the past, either in terms of income or profit.

Our future growth may place significant demands on our management and operations and require us to continuously evolve and improve our financial, operational and other internal controls. In particular, continued expansion may pose challenges in:

- maintaining high levels of client satisfaction;
- recruiting, training and retaining sufficient skilled management and trained personnel;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, internal control and other internal systems;
- making accurate assessments of the resources we will require;
- adhering to the standards of quality and process execution to meet clients' expectations;
- operating in business segments where we have limited experience;
- preserving a uniform culture, values and work environment;
- strengthening internal control and ensuring compliance with legal and contractual obligations;
- managing relationships with clients, suppliers, investors, lenders and service providers; and

If we are not successful in managing our growth, our business may be disrupted and profitability may be reduced. Our business, prospects, financial condition and results of operations may be adversely affected.

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

For the financial year ended March 31, 2019, our top five largest clients accounted for approximately 64.27% of our revenues from operations. The loss of a significant client or clients would have a material adverse effect on our financial results. We cannot assure you that we can maintain the historical levels of business from these clients or that we will be able to replace these clients in case we lose any of them. Furthermore, major events affecting our clients, such as bankruptcy, change of management, mergers and acquisitions could adversely impact our business. If any of our major clients becomes bankrupt or insolvent, we may lose some or all of our business from that client and our receivable from that client would increase and may have to be written off, adversely impacting our income and financial condition.

5. ***The domestic gems and jewellery industry is extremely competitive and our growth will depend on our ability to compete effectively.***

The Indian domestic gems and jewellery industry is highly fragmented and dominated by the unorganized sector, from which the organized retail jewellery sector faces intense competition. The unorganized sector offers their products at highly competitive prices which may not be matched by us when we expand our retail operations in the domestic market, which may affect our volume of sales and growth prospects.

6. ***Any decrease in demand of Diamonds and Gold may adversely affect our business and financial condition.***

Gold demand in India rose to 523.93 tonnes between January to September 2018. India's gems and jewellery exports stood at US\$ 20.73 billion between Apr-Nov 2018. During the same period, exports of cut and polished diamonds stood at US\$ 16.55 billion, thereby contributing about 79.84 per cent of the total gems and jewellery exports in value terms. Hence any reduction in demand of gold either due to domestic conditions or global slowdown or change in consumer preferences in favour of other precious metals or stones may adversely affect our business or financial condition.

7. ***Any fluctuation in price and supply of Diamonds, which account for the majority of sales could adversely impact our income.***

Our revenues are mainly dependent on sale of Diamonds. Historically, the price fluctuation of Diamond, however, does not affect our margins because its a pass through. Our inability to increase our sale prices to reflect higher commodity costs would result in lower profitability. However, particularly sharp increases and volatility in commodity costs usually result in a time lag before increased commodity costs are fully reflected in retail prices. Further, any increase in commodity cost is likely to impact demand for our products during high price periods. There is no certainty that such price increase will be sustainable and downward pressure on gross margins and income may occur.

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

Gems and Jewellery companies and industry has been continuously adding new products. Although we have maintained a portfolio of designs and keep pace with the consumers' requirements, we cannot assure you that we shall be able to consistently keep up with industry trends which may adversely affect our results of operations. Introduction of any new portfolios in jewellery makes and designs may affect our current business.

9. ***We depend on third party certifications for our gems and jewellery.***

We do grading and cut evaluation and select only the best goods for our business. Some of our Diamonds are also GIA certified. We only deal in natural diamonds that are free from any treatment or enhancement. We guarantee that the diamonds are conflict free, based on personal knowledge and / or written guarantees by suppliers. Any wrong in the third party certifications or guarantees may make us liable to client damages.

10. ***We may not be able to sell properties for profit or sell them in a timely manner.***

As a real estate traders we intend to buy properties or acquire interest in properties with the intention of holding them for a short period and sell them for a profit. Our investment may be by way of a registered deed or by way of an agreement to sale / allotment letter without registration. We generally do it as short-term cash investment. If we are caught in a situation where we can't sell a property, it may have adverse impact on our financial position. This can lead to continued losses for a real estate trader like us, if we are unable to offload the property in a bad market.

11. ***The success of our real estate development business is dependent on our ability to anticipate and respond to consumer requirements.***

We depend on our ability to understand the preferences of our customers and accordingly buy properties that suit their tastes and preferences and in the areas where there is demand. Therefore our ability to anticipate and understand the demands of the prospective customers is critical to the success of our real estate trading and broking business. Our inability to provide these customers their preference or our failure to anticipate and respond to customer needs accordingly will affect our business and prospects. This could also lead to loss of potential customers to our competitors who may offer better facilities.

12. ***We are planning to venture into real estate development business in Maharashtra and Gujarat and may not be able to successfully identify and acquire suitable land or land development rights for development, which may adversely affect our business and growth prospects.***

We are planning to venture into real estate development business. Our ability to identify suitable land or land development rights for development is vital to our business. Once a potential development site has been identified, site visits and feasibility studies/surveys are undertaken, which include detailed analyses of factors such as regional demographics, gap analysis of current property development initiatives and market needs, and market trends. Such information may not be accurate, complete or current. Any decision for a project site which is based on inaccurate, incomplete or outdated information or any change in circumstances may result in certain risks and liabilities associated with the acquisition of such land, which could adversely affect our business, financial condition and results of operations.

Our ability to acquire ownership or development rights over suitable sites is dependent on a number of factors that may be beyond our control. These factors include the availability of suitable land, market conditions, the willingness of land owners to sell or grant development rights over land on attractive terms, the availability and cost of any required financing, encumbrances on the land, government directives on land use, and the obtaining of permits and approvals for land development. In addition, it is our normal practice to evidence our preliminary agreements to acquire interest in land in the form of a memorandum of understanding. However, conveyance of the land does not occur upon signing of the

memorandum of understanding and formal transfer of title to or interest in land by the seller (at which time stamp duty becomes payable) is generally completed only after all requisite governmental consents and approvals have been obtained. Our acquisition of interests in land are therefore also subject to the risk that sellers may during such time identify and transact with alternative purchasers or decide not to sell the land.

13. ***We face intense competition in our businesses, which may limit our growth and prospects.***

Our Company faces significant competition from other gems and jewellery companies and other real estate traders and developers. We compete on the basis of a number of factors, including execution, depth of product and service offerings, innovation, reputation and price. Our competitors may have advantages over us, including, but not limited to:

- Substantially greater financial resources;
- Longer operating history than in certain of our businesses;
- Greater brand recognition among consumers;
- Larger customer bases in and outside India; or
- More diversified operations which allow profits from certain operations to support others with lower profitability.

These competitive pressures may affect our business, and our growth will largely depend on our ability to respond in an effective and timely manner to these competitive pressures.

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

We have not paid any dividends since incorporation. Our future ability to pay dividends will depend on our earnings, financial condition and capital requirements. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. There can be no assurance that we will generate sufficient income to cover the operating expenses and pay dividends to the shareholders.

Our ability to pay dividends will also depend on our expansion plans. We may be unable to pay dividends in the near or medium term, and the future dividend policy will depend on the capital requirements and financing arrangements for the business plans, financial condition and results of operations.

15. ***We do not own our Registered Office from which we operate.***

We do not own the premises on which our Registered Office is situated. Our Company has taken the registered office on lease basis from Prashant A. Vora and Seemaben P. Vora at the rent of ₹ 30,000 per month. We cannot assure you that we will have the right to occupy, these premises in the future, or that we will be able to continue with the uninterrupted use of this property, which may impair our operations and adversely affect our financial condition. Further these agreements are not registered and may not be adequately stamped under Indian law. In the event of any such irregularity, we may not be able to enforce our rights under such agreements in the event of a dispute. For further details of our office premises please refer to the section titled "Our Business" on page 67 of this Prospectus.

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

We have entered into transactions with our promoters and our Promoter Group. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. For further details, please refer to "Annexure XV – Related Party Transactions" of the "Auditors Report" beginning on page 109 of this Prospectus.

17. ***Our business and profitability could be adversely affected if we fail to keep pace with changing technology and evolving industry standards and norms or fail to enhance existing services and develop and introduce new latest designs in a timely manner.***

The markets for our services are characterized by rapidly changing technology, evolving industry standards and norms and new service introductions. Adaptability is one of the key attributes for success in our industry. Our results of operations and financial condition depend on our ability to develop and introduce new products and services, as well as our ability to modify and upgrade our existing products. Our success will depend on several factors, including proper

identification of market demands and the competitiveness of our products with the products introduced by our competitors. Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs and lead to us being less competitive in terms of our prices or quality of services we provide.

18. ***Our inability to build and maintain our brand name will adversely affect our business, prospects, financial condition and results of operation.***

Brand recognition is important to the success of our business. Establishing and maintaining our brand name for people relying on our services to look for desired results is critical to the success of the customer acquisition process of our business. No assurance can be given that our brand name will be effective in attracting and growing user and customer base for our businesses or that such efforts will be cost-effective, which may negatively affect our business, prospects, financial condition and results of operations.

19. ***We have existing debt facilities and may raise additional debt, which could adversely affect our financial health and our ability to obtain financing in the future and react to changes in our business and increases in interest rates of our borrowings may impact our results of operation.***

As of March 31, 2019, the amount of our total secured borrowings was ₹23.06 lakhs as per our restated financial statements. For further details, please refer “*Financial Indebtedness*” on page 116. Our business requires a high amount of working capital to finance operational expenses before payments are received from client. We may incur additional indebtedness in the future. Our ability to meet our debt service obligations and our ability to repay our outstanding borrowings will depend primarily upon the cash flow produced by our businesses. We cannot assure you that we will generate sufficient revenue from our businesses to service existing or proposed borrowings. If we fail to meet our debt service obligations, our lenders could declare us to be in default under the terms of our borrowings and may accelerate the maturity of our obligations. We cannot assure you that, in the event of any such acceleration, we would have sufficient resources to repay these borrowings. Accordingly, any such acceleration would have an adverse effect on our cash flows, business, financial condition and results of operation. In addition: (a) our ability to obtain additional financing for working capital, capital expenditures, acquisitions or general corporate purposes may be impaired in the future; (b) a substantial portion of our cash flow from operations may be dedicated to the payment of principal and interest on our indebtedness, thereby reducing the funds available to us for other purposes; (c) we will be exposed to the risk of increased interest rates; and (d) our flexibility to adjust to changing market conditions and ability to withstand competitive pressures could be limited, and we may be more vulnerable to a downturn in general economic conditions in our business or be unable to carry out capital spending that is necessary or important to our growth strategy.

If our cash flow and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditure, sell assets, seek additional equity capital, or restructure our debt. In the future, our cash flow and capital resources may not be sufficient for interest or principal payments on our indebtedness, and any remedial measures may not be successful and therefore may not permit us to meet our scheduled debt service obligations.

Our borrowings carry interest at floating rates or at a fixed rate that is subject to adjustment at specified intervals. We are exposed to interest rate risk as we do not currently enter into any swap or interest rate hedging transactions in connection with our loan agreements. Any such increase in interest expense may have an adverse effect on our business, prospects, financial condition and results of operation. Such instances could adversely affect our business operations, cash flows and financial condition.

20. ***Our Promoter and Managing Director has provided personal guarantee for our borrowings to secure our loans. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the revocation of all or any of the personal guarantees provided by our Director in connection with our Company’s borrowings.***

Our Promoter and Managing Director, Prashant A. Vora and our Director Harsh P. Vora have provided personal guarantees for our borrowings to secure our loans. If any of these guarantees are revoked, our lenders may require alternative guarantees or collateral or cancellation of such facilities, entailing repayment of amounts outstanding under such facilities. If we are unable to procure alternative guarantees satisfactory to our lenders, we may need to seek alternative sources of capital, which may not be available to us at commercially reasonable terms or at all, or to agree to more onerous terms under our financing agreements, which may limit our operational flexibility. Accordingly, our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the revocation of all or any of the personal guarantees provided by our Director, in connection with our Company’s borrowings.

21. ***Our success depends largely on our senior management and skilled employees and our ability to attract and***

***retain them.***

Our success depends on the continued services and performance of the members of our senior management team and other key employees. Our continued success also depends upon our ability to attract and retain skilled staff, particularly managers and skilled workers. The loss of the services of our senior management or our inability to recruit, train or retain a sufficient number of skilled professionals could have a material adverse effect on our operations and profitability. Competition for senior management in our industry in which we operate is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. Moreover, we do not maintain “key man” life insurance policies for senior members of our management team or other key personnel. Any such loss of the services of our senior management personnel or skilled staff could adversely affect our business, prospects, financial condition and results of operation.

**22. *Our Promoter, Directors and Key Managerial Personnel of our Company may have interests in us other than reimbursement of expenses incurred or normal remuneration or benefits.***

Our Promoter is interested in us to the extent of any transactions entered into or his shareholding and dividend entitlement in us. Our Directors are also interested in us to the extent of remuneration paid to them for services rendered as our Directors and reimbursement of expenses payable to them. Our Promoter and Managing Director, Prashant A. Vora has given personal guarantees for our borrowings to secure our loans. Our Promoter and Managing Director Prashant A. Vora and persons of our promoter group may also be interested to the extent of rent received by them for the registered office and other office given to us on leave and license basis. Our Directors may also be interested in any transaction entered into by us with any other company or firm in which they are directors or partners or in their individual capacity. For further details, please refer “Our Promoters and Promoter Group” and “Our Management” on page 86 and 77 respectively.

**23. *Our funding requirements and deployment of the issue proceeds are based on management estimates and have not been independently appraised by any bank or financial institution.***

Our funding requirements and the deployment of the proceeds of the Issue are based on management estimates and our current business plan. The fund requirements and intended use of proceeds have not been appraised by bank or financial institution and are based on our estimates. In view of the competitive and dynamic nature of our business, we may have to revise our expenditure and fund requirements as a result of variations including in the cost structure, changes in estimates and other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirement and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our Board. In addition, schedule of implementation 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.

**24. *Our Company’s management will have flexibility in utilizing the Net Proceeds. There is no monitoring agency appointed by our Company and the deployment of funds is at the discretion of our Management and our Board of Directors, though it shall be monitored by our Audit Committee.***


The deployment of the funds towards the objects of the issue is entirely at the discretion of the Board of Directors and is not subject to monitoring by external independent agency. As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above ₹10,000.00 lakhs. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Net Issue Proceeds to the BSE Limited and shall also simultaneously make the material deviations / adverse comments of the audit committee public. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

**25. *Any variation in the utilization of the Net Proceeds as disclosed in this Draft Prospectus shall be subject to certain compliance requirements, including prior Shareholders’ approval.***

In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Draft Prospectus without obtaining the shareholders’ approval through a special resolution. In the event of any such circumstances that requires us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the Shareholders’ approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders’ approval may adversely affect our business or operations. Further, our Promoter or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with

our proposal to modify the objects of the Issue as prescribed in the SEBI (ICDR) Regulations. If our shareholders exercise such exit option, our business and financial condition could be adversely affected. Therefore, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company, which may restrict our ability to respond to any change in our business or financial condition, and may adversely affect our business and results of operations.

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

Our Corporate logo “” is not registered and we do not enjoy the statutory protections accorded to a registered trademark and are subject to the various risks arising out of the same, including but not limited to infringement or passing off our name and logo by a third party.

The registration of any trademark is a time-consuming process, and there can be no assurance that any such registration will be granted as and when applied. In the absence of such registration, competitors or other companies may challenge the validity or scope of our intellectual property. These trademarks are integral to our business, and the loss of any of these intellectual property rights could have a material adverse effect on our business.

There can be no assurance that we will be able to obtain the registration of our trademarks in a timely manner, or at all. If any of our unregistered trademarks are registered in favour of a third party, we may not be able to claim registered ownership of such trademarks and consequently, we may be unable to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities. If our application is objected to, we will not have the right to use this trademark or prevent others from using this trademark or its variations. Our inability to obtain or maintain this trademark in our business thus could adversely affect our reputation, goodwill, business, prospectus and results of operations.

**27. *We require certain registrations, licenses, approvals and permissions from government and regulatory authorities in the ordinary course of our business and any delay or failure to obtain them may adversely affect our operations.***

We require certain statutory and regulatory approvals, licenses, registrations and permissions, and applications need to be made at the appropriate stages for our business to operate. There can be no assurance that the relevant authorities will issue these approvals or licenses, or renewals thereof in a timely manner, or at all. An inability to obtain or maintain approvals or licenses required for our operations may adversely affect our operations. Government approvals, licenses, clearances and consents are often also subject to numerous conditions, some of which are onerous and may require significant expenditure. Furthermore, approvals, licenses, clearances, and consents covering the same subject matter are often required at both the Central Government and State Government levels. If we fail to comply, or a regulator claims that we have not complied, with these conditions, we may not be able to commence or continue with work or operate these projects. For further information on various approvals or licenses required in connection with our operations, please refer “*Government and Other Approvals*” on page 120.

**28. *Our Promoter and Promoter Group will continue to exercise control post completion of the Issue and will have considerable influence over the outcome of matters.***

Upon completion of this Issue, our Promoter and Promoter Group will continue to own a majority of our Equity Shares. As a result, our Promoter will have the ability to exercise significant influence over all matters requiring shareholders’ approval. Our Promoter will also be in a position to influence any shareholder action or approval requiring a majority vote, except where they may be required by applicable law to abstain from voting. This control could also delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from obtaining control of our Company even if it is in the best interests of our Company. The interests of our Promoter could conflict with the interests of our other equity shareholders, and the Promoter could make decisions that materially and adversely affect your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by our Promoter, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. Except as disclosed in “*Capital Structure*” on page 41, we cannot assure you that our Promoter will not dispose of, pledge or encumber their Equity Shares in the future.

**29. *Our Company has not taken insurance cover hence we may not be able to protect ourselves from all losses and may in turn adversely affect our financial condition.***



Our Company has not taken any insurance cover at present. Hence we may not be able to protect ourselves from any damage or loss suffered by us. To the extent that we suffer loss or damage, our results of operations or cash flow may be affected.

**30. *Certain data mentioned in this Draft Prospectus has not been independently verified.***

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the limitation that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

**EXTERNAL RISKS**

**31. *Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.***

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

Our performance, growth and market price of our Equity Shares are and will be dependent on the health of the Indian economy. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional and global economies. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, cash flows and financial condition. Also, a change in the Government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

**32. *Changing laws, rules and regulations and legal uncertainties in India, including adverse application of corporate and tax laws, may adversely affect our business and financial results.***

Our business and financial performance could be adversely affected by any change in laws or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to us and our business including those relating to the industry in which we operate. There can be no assurance that the Government of India or state governments will not introduce new laws, regulations and policies which will require us to obtain additional approvals and licenses or impose onerous requirements on our business.

For example, the new Companies Act, 2013 contains significant changes to Indian company law, including in relation to the issue of capital by companies, disclosures in offer documents, related party transactions, corporate governance, audit matters, internal controls, shareholder class actions, restrictions on the number of layers of subsidiaries, prohibitions on loans to directors, insider trading and restrictions on directors and key management personnel from engaging in forward dealing. Moreover, effective April 1, 2014, companies exceeding certain net worth, revenue or profit thresholds are required to spend at least 2% of average net profits from the immediately preceding three financial years on corporate social responsibility projects, failing which an explanation is required to be provided in such companies' annual reports.

The Ministry of Finance has issued a notification dated March 31, 2015 notifying ICDS which creates a new framework for the computation of taxable income. Subsequently, the Ministry of Finance, through a press release dated July 6, 2016, deferred the applicability of ICDS from April 1, 2015 to April 1, 2016 and is applicable from FY 2017 onwards and will

have impact on computation of taxable income for FY 2017 onwards. ICDS deviates in several respects from concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. Such specific standards for computation of income taxes in India are relatively new, and the impact of the ICDS on our results of operations and financial condition is uncertain. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition going forward.

The Government of India has recently approved the adoption of a comprehensive national goods and services tax (“GST”) regime that will combine taxes and levies by the Central and State Governments into a unified rate structure, with effect from July 1, 2017. Given the limited availability of information in the public domain concerning the GST, we cannot provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

We have not determined the effect of such legislations on our business. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

### **33. *Investors may have difficulty enforcing foreign judgments against us or our management.***

We are a limited liability company incorporated under the laws of India. All our directors and executive officers are residents of India and all of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons outside of India, or to enforce judgments obtained against such parties outside of India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 (“CPC”) on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record.

However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the Central Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered.

34. ***The Equity Shares have never been publicly traded, and, after the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Issue Price, or at all.***

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the SME Platform of BSE may not develop or be sustained after the Issue. Our Company and the Lead Manager have appointed SERNET Financial Services Private Limited as Designated Market Maker for the Equity Shares of our Company. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in the SME Platform of BSE, securities markets in other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

## SECTION IV – INTRODUCTION

## THE ISSUE

Following table summarises the present Issue in terms of this Draft Prospectus:

Particulars	Details of Equity Shares
<b>Issue of Equity Shares by our Company#</b>	<b>Issue of 8,10,000 Equity Shares having face value of ₹10.00 each at a price of ₹45 per Equity Share (including a share premium of ₹35 per Equity share) aggregating ₹364.50 lakhs</b>
<b>Of which:</b>	
Market Maker Reservation Portion	Issue of 42,000 Equity Shares having face value of ₹10.00 each at a price of ₹45 per Equity Share aggregating ₹18.90 lakhs
Net Issue to the Public*	Issue of 7,68,000 Equity Shares having face value of ₹10.00 each at a price of ₹45 per Equity Share aggregating ₹345.60 lakhs
	<b>Of which:</b>
	3,84,000 Equity Shares having face value of ₹10.00 each at a price of ₹45 per Equity Share aggregating ₹172.80 lakhs will be available for allocation to Retail Individual Investors
	3,84,000 Equity Shares having face value of ₹10.00 each at a price of ₹45 per Equity Share aggregating ₹172.80 lakhs will be available for allocation to other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for
<b>Pre and Post Issue Share Capital of our Company</b>	
Equity Shares outstanding prior to the Issue	22,00,000 Equity Shares
Equity Shares outstanding after the Issue	30,10,000 Equity Shares
Objects of the Issue	Please refer “ <i>Objects of the Issue</i> ” on page 51.

*Public issue of 8,10,000 Equity Shares of ₹10.00 each for cash at a price of ₹45 per Equity Share of our Company aggregating to ₹364.50 lakhs is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details please refer ‘Terms of the Issue’ on page 134.*

The Issue has been authorised by our Board pursuant to a resolution dated April 2, 2019, and by our Equity Shareholders pursuant to a resolution passed at the extraordinary general meeting held on April 4, 2019.

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

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to:
  - i. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

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

## SUMMARY FINANCIAL INFORMATION

## STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(₹ in Lakhs)

Particulars	Note No.	31.03.19	31.03.18
<b>Equity &amp; Liabilities</b>			
<b>Shareholders Fund</b>			
Share capital	I.1	220.00	200.00
Reserves and Surplus	I.2	103.92	3.88
<b>Total Shareholder's Fund</b>		<b>323.92</b>	<b>203.88</b>
<b>Non Current Liabilities</b>			
Long Term Borrowings		0.00	0.00
Long term provisions		0.00	0.00
Deferred Tax Liability		0.00	0.00
<b>Total Current Liabilities</b>		<b>0.00</b>	<b>0.00</b>
<b>Current Liabilities</b>			
Short Term Borrowings	I.3	23.06	0.00
Trade Payables		0.00	0.00
Other Current Liabilities		0.00	0.00
Short Term Provisions	I.4	10.96	1.53
<b>Total Current Liabilities</b>		<b>34.02</b>	<b>1.53</b>
<b>Total Equity &amp; Liability</b>		<b>357.93</b>	<b>205.41</b>
<b>Non-Current Assets</b>			
a) Fixed Assets			
Tangible Assets		26.71	13.02
Intangible Assets		0.00	0.00
<b>Total Fixed Assets (a)</b>	I.5	<b>26.71</b>	<b>13.02</b>
b) Non Current Investments		0.00	0.00
b) Deferred Tax Assets	I.6	0.51	0.10
c) Long Term Loans and Advances		0.00	0.00
d) Other Non Current Assets	I.7	3.76	2.84
<b>Total Non Current Assets</b>		<b>30.97</b>	<b>15.96</b>
<b>Current assets</b>			
Current Investments		0.00	0.00

Inventories	I.8	266.13	91.41
Trade Receivables		0.00	0.00
Cash and Cash Equivalents balances	I.9	1.35	24.04
Short Term Loans and Advances	I.10	54.78	70.53
Other Current Assets	I.11	4.70	3.47
<b>Total Current Assets</b>		<b>326.96</b>	<b>189.45</b>
<b>Total Assets</b>		<b>357.93</b>	<b>205.41</b>

## STATEMENT OF PROFIT &amp; LOSS AS RESTATED

(₹ in Lakhs)

Particulars	Note No.	FY 31.03.19	For the Period from 27.7.17 to 31.03.18
<b>Income</b>			
Revenue from Operations	II.1	709.22	476.29
Other Income	II.2	4.11	0.93
<b>Total Revenue</b>		<b>713.32</b>	<b>477.21</b>
<b>Expenditure</b>			
Cost of Goods Sold	II.3	645.82	458.62
Employee Benefit Expenses	II.4	8.05	3.72
Other Expenses	II.5	14.01	7.24
<b>Total (B)</b>		<b>667.88</b>	<b>469.59</b>
<b>Profit Before Interest, Depreciation and Tax</b>		<b>45.44</b>	<b>7.63</b>
Depreciation	I.5	4.80	2.29
<b>Profit Before Interest and Tax</b>		<b>40.64</b>	<b>5.34</b>
Financial Charges	II.6	0.05	0.02
<b>Profit before Taxation</b>		<b>40.58</b>	<b>5.31</b>
Provision for Taxation		10.96	1.53
Provision for Deferred Tax		(0.41)	(0.10)
<b>Total</b>		<b>10.54</b>	<b>1.43</b>
<b>Profit After Tax but Before Extra ordinary Items</b>		<b>30.04</b>	<b>3.88</b>
Extraordinary Items		0.00	0.00
Prior Period Items		0.00	0.00
<b>Net Profit after adjustments</b>		<b>30.04</b>	<b>3.88</b>
<b>Net Profit Transferred to Balance Sheet</b>		<b>30.04</b>	<b>3.88</b>

## STATEMENT OF CASH FLOWS AS RESTATED

(₹ in Lakhs)

PARTICULARS	FY 31.03.19	For the Period from 27.7.17 to 31.03.18
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	<b>40.58</b>	<b>5.31</b>
<i>Adjusted for :</i>		
a. Depreciation	4.80	2.29
b. Interest Expenses & Finance Cost	0.05	0.02
c. Interest & Other Income	(4.11)	(0.93)

<b>Operating profit before working capital changes</b>	<b>41.33</b>	<b>6.70</b>
<i>Adjusted for :</i>		
a. Decrease /(Increase) in Inventories	(174.72)	(91.41)
b. Decrease / ( Increase ) in trade receivable	0.00	0.00
b. Decrease / ( Increase ) in Current Investments	0.00	0.00
c. ( Increase ) / Decrease in short term loans and advances	15.75	(70.53)
d. Increase / ( Decrease ) in Trade Payables	0.00	0.00
e. Increase / (Decrease) in short term provisions	9.43	1.53
f. Increase / ( Decrease ) in other current liabilities	0.00	0.00
g. ( Increase ) / Decrease in Other Current Assets	(1.23)	(3.47)
<b>Cash generated from operations</b>	<b>(109.44)</b>	<b>(157.18)</b>
Income Tax Paid ( net of refunds )	10.96	1.53
<b>NET CASH GENERATED FROM OPERATION</b>	<b>(120.39)</b>	<b>(158.71)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITES</b>		
a. (Purchase) / Sale of Fixed Assets	(18.49)	(15.31)
b.( Purchase) / Sale of non-current investment	0.00	0.00
c. ( Increase ) / Decrease in Long term loans and advances	0.00	0.00
d. Increase / ( Decrease ) in Long Term Provisions	0.00	0.00
e. ( Increase ) / Decrease in Other Non Current Assets	(0.92)	(2.84)
f. (Increase) in Misc. Expenses	0.00	0.00
g. Interest & Other Income	4.11	0.93
<b>Net cash (used) in investing activities</b>	<b>(15.30)</b>	<b>(17.22)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITES</b>		
a. Interest & Finance Cost	(0.05)	(0.02)
b. Proceeds from share issued / application	90.00	200.00
c. ( Repayments ) / proceeds of long term borrowings	0.00	0.00
d. ( Repayments ) / proceeds of short term borrowings	23.06	0.00
<b>Net cash generated/(used) in financing activities</b>	<b>113.01</b>	<b>199.98</b>
<b>Net Increase / ( Decrease ) in cash and cash equivalents</b>	<b>(22.69)</b>	<b>24.04</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>24.04</b>	<b>0.00</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1.35</b>	<b>24.04</b>

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.



## GENERAL INFORMATION

Our Company was originally incorporated as a public limited company under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, dated July 27, 2017 with the name ‘Parshva Enterprises Limited’

<b>Company Identification Number</b>	U51909MH2017PLC297910
<b>Address of Registered Office of Company</b>	811, A Wing, Jaswanti Allied Business Centre, Ramchandra Lane Extn., Malad West, Mumbai – 400064, India
<b>Address of Registrar of Companies</b>	The Registrar of Companies, Maharashtra at Mumbai Everest, 5 <sup>th</sup> Floor 100 Marine Drive Mumbai 400 002
<b>Designated Stock Exchange</b>	BSE Limited
<b>Listing of Shares offered in this Issue</b>	SME Platform of BSE Limited

For details of the changes in our name, registered office and other details, please refer “*History and Certain Other Corporate Matters*” on page 74.

### Our Board of Directors

Details regarding our Board of Directors as on the date of this Draft Prospectus are set forth in the table hereunder:

Sr. No.	Name and Designation	DIN	Address
1.	<b>Prashant A. Vora</b> <i>Managing Director</i>	06574912	5 / D, Rajratan Palace - II Shanker Lane, Kandivali (W) Mumbai – 400067, Maharashtra, India
2.	<b>Harsh P. Vora</b> Non Executive Director	07861487	5 / D, Rajratan Palace - II Shanker Lane, Kandivali (W) Mumbai – 400067, Maharashtra, India
3.	<b>Nirav B. Shah</b> <i>Independent Director</i>	03501151	403/404, Glassview, Pestom Sagar, Road No. 3, Behind Shah Petrol Pump, GM Road, Chembur, Mumbai – 400089, Maharashtra, India
4.	<b>Mamta S. Patel</b> <i>Independent Director</i>	08419890	Room No. 8, Kalidas, SVP Road, Opp. Girivar Apartment, Kandivali West, Mumbai – 400067, Maharashtra, India

For detailed profile of our Managing Director and other Directors, please refer “*Our Management*” and “*Our Promoters and Promoter Group*” on page 77 and 86 respectively.

### Company Secretary and Compliance Officer

Our Company has appointed Sneha Y. Shah as the Company Secretary of our Company, as the Compliance Officer, whose contact details are set forth hereunder.

Sneha Y. Shah  
811, A Wing,  
Jaswanti Allied Business Centre,  
Ramchandra Lane Extn.,  
Malad West, Mumbai – 400064, India  
Tel: +91 22 4972 9700  
E-mail: cs@parshvaenterprises.co.in

### Chief Financial Officer

Our Company has appointed Dhawal B. Siriya, as the Chief Financial Officer. His contact details are set forth hereunder.

Dhawal B. Siriya  
811, A Wing,  
Jaswanti Allied Business Centre,  
Ramchandra Lane Extn.,  
Malad West, Mumbai – 400064, India  
Tel: +91 22 4972 9700  
E-mail: cfo@parshvaenterprises.co.in

**Applicants can contact the Compliance Officer or 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, credit of Allotted Equity Shares in the respective beneficiary account and refund orders, etc. All complaints, queries or comments received by Stock Exchange / SEBI shall be forwarded to the Lead Manager, who shall respond to the same.**

Applicants may contact the Lead Manager for complaints, information or clarifications pertaining to the Issue.

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

### Details of Key Intermediaries pertaining to this Issue of our Company:

Lead Manager of the Issue	Registrar to the Issue
<b>Inventure Merchant Banker Services Private Limited</b> 2 <sup>nd</sup> Floor, Viraj Tower, Nr. Andheri Flyover (North End) Western Express Highway, Andheri (East) Mumbai – 400 069, Maharashtra, India <b>Tel No.:</b> +91 22 4075 1500; <b>Fax No.:</b> +91 22 4075 1511; <b>Email:</b> sme.ipo@inventuremerchantbanker.com <b>Investor Grievance Email:</b> redressal@inventuremerchantbanker.com <b>Website:</b> www.inventuremerchantbanker.com	<b>Bigshare Services Private Limited</b> 1st floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai- 400 059, Maharashtra, India <b>Tel. No.:</b> +91 22 6263 8200 <b>Fax No.:</b> +91 22 6263 8299 <b>Email:</b> ipo@bigshareonline.com <b>Website:</b> www.bigshareonline.com <b>SEBI Registration No:</b> INR000001385 <b>Contact Person:</b> Babu Raphael

<b>SEBI Registration No.:</b> INM000012003*	
<b>Contact Person:</b> Arvind Gala	
* The certificate of registration of Inventure Merchant Banker Services Private Limited as Merchant banker bearing number INM000012003 was valid for a period of five years effective from August 30, 2012 until August 29, 2017. Inventure Merchant Banker Services Private Limited has made an application to SEBI vide application dated June 7, 2017 in terms of Regulation 8A, under SEBI (Merchant Bankers) Regulation, 1992 for renewal of its said merchant banking license and for grant of permanent registration and has paid requisite fees of ₹ 9,00,000 (Rupees Nine Lakhs only) in accordance with schedule II of the SEBI (Merchant Bankers) Regulation, 1992.	
<b>Banker to the Company</b>	<b>Legal Advisor to the Issue</b>
<b>The Kalupur Comercial Co-operative Bank Limited</b> 4, Ground Floor, A Wing, Times Square Building, Andheri Kurla road, Marol Andheri (East), Mumbai -400059, Mumbai <b>Tel No.:</b> +91 22 2851 0051 <b>Email:</b> andheri@kalupurbank.com <b>Website:</b> www.kalupurbank.com <b>Contact Person:</b> Sunil N. Joshi	<b>Legal Corporate Services</b> A 705, Jaswanti Allied Business centre, Off Link Road, Kanchpada Junction, Ramchandra Lane extension, Malad (West), Mumbai – 400064, Maharashtra <b>Tel No.:</b> +91 9969336846 <b>Email:</b> <a href="mailto:advocatemonarch@gmail.com">advocatemonarch@gmail.com</a> <b>Contact Person:</b> Mr. Monarch A. Gandhi
<b>Statutory &amp; Peer Review Auditor of the Company</b>	<b>Banker to the Issue/ Sponsor Bank</b>
<b>M/s. Chaudhary Chaudhary &amp; Co.,</b> Chartered Accountants 76, Whispering Palms Shopping Centre, Akurli Road, Lokhandwala Complex, Kandivali East, Mumbai – 400 101 <b>Tel No.:</b> +91 95941 89162 <b>Email:</b> firm@ccco.co.in <b>Contact Person:</b> CA Alok Kumar Mishra <b>Membership No:</b> 124184 <b>Firm Registration No:</b> 002910C	[•]

### Changes in Auditors

M/s. Chaudhary Chaudhary & Co. was appointed as Statutory Auditors for the FY 2018-19 of our Company in place of M/s Suchit Shah & Associates, Chartered Accountants, to comply with the requirement of peer review auditor in SME IPO.

### DESIGNATED INTERMEDIARIES

#### Self-Certified Syndicate Banks (SCSB's)

The list of SCSBs is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries> on the SEBI website, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs with which an Applicant, not applying through Syndicate/ Sub Syndicate or through a Registered Broker, CRTA or CDP may submit the Application Forms available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries> on the SEBI website, or at such other website as may be prescribed by SEBI from time to time.

### **Registered Brokers**

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE Limited i.e. [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

### **RTAs**

The list of the RTAs eligible to accept application forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchange [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

### **Collecting Depository Participants**

The list of the CDPs eligible to accept application forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchange [www.nseindia.com](http://www.nseindia.com) as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the Designated Intermediaries will be available on the website of the SEBI [www.sebi.gov.in](http://www.sebi.gov.in) and updated from time to time.

### **Credit Rating**

This being an issue of Equity Shares, there is no requirement of credit rating for the Issue.

### **IPO Grading**

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

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

Since Inventure Merchant Banker Services Private Limited is the sole Lead Manager to this Issue, a statement of *inter se* allocation of responsibilities amongst Lead Managers is not required.

### **Expert Opinion**

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

Our Company has received written consent from the Independent Peer Reviewed Auditor namely, M/s. Chaudhary Chaudhary & Co., Chartered Accountants to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the reports of the Independent Peer Reviewed Auditor on the Restated Financial Statements, dated April 8, 2019 and such consent has not been withdrawn as on the date of this Draft Prospectus.

Our Company has received written consent from our Statutory Auditor namely, M/s. Chaudhary Chaudhary & Co., Chartered Accountants to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and the statement of tax benefits dated April 8, 2019 included in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus.

### **Debenture Trustees**

This is an issue of equity shares; hence appointment of debenture trustee is not required.

### Appraisal and Monitoring Agency

The objects of the Issue have not been appraised by any agency.

The Objects of the Issue and means of finance, therefore, are based on internal estimates of our Company. In terms of Regulation 41 of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the Issue size is not in excess of ₹10,000 lakhs.

### Filing of the Offer Document

A soft copy of Draft Prospectus is being filed with 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 Prospectus along with due diligence certificate including additional confirmations shall be filed with SEBI. Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online 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, will be delivered to the RoC Office situated at RoC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus-Stop, Naranpura, Ahmedabad – 380 013.

### Underwriting Agreement

This Issue is 100% Underwritten. The Underwriting agreement is dated April 10, 2019. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriter has indicated its intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹in lakhs)	% of the Total Issue Size Underwritten
<b>Inventure Merchant Banker Services Private Limited</b> 2 <sup>nd</sup> Floor, Viraj Tower, Nr. Andheri Flyover (North End) Western Express Highway, Andheri (East) Mumbai – 400 069, Maharashtra, India <b>Tel No:</b> +91 22 4075 1500; <b>Fax No:</b> +91 22 4075 1511; <b>Email:</b> <a href="mailto:sme.ipo@inventuremerchantbanker.com">sme.ipo@inventuremerchantbanker.com</a> <b>Website:</b> <a href="http://www.inventuremerchantbanker.com">www.inventuremerchantbanker.com</a> <b>SEBI Registration No:</b> INM000012003	8,10,000	364.50	100%

In the opinion of our Board of Directors, the resources of the above mentioned Underwriter are sufficient to enable them to discharge the underwriting obligations in full. The abovementioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act or registered as broker with the Stock Exchange.

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

The Company and the Lead Manager undertakes to appoint the Market Maker/s and the particulars of such Market Maker/s and the summary of the terms of its appointment shall be included in the Prospectus prior to filing with the RoC.

Our Company has entered into Market Making Agreement dated April 13, 2019, with the Lead Manager and Market Maker, duly registered with BSE to fulfil the obligations of Market Making:

The details of Market Maker are set forth below:

<b>Name</b>	<b>SERNET FINANCIAL SERVICES PRIVATE LIMITED</b>
<b>Address</b>	B 201, Hemu Classic Premises CS Ltd., 67, S V Road, Opp Newera Cinema, Malad West, Mumbai 400064, Maharashtra, India
<b>Tel no.</b>	+91 22 62148400
<b>Email</b>	compliance@sernetindia.com
<b>Website</b>	www.sernetindia.com
<b>Contact Person</b>	Bhavesh Vora
<b>SEBI Registration No.</b>	INZ000189331

Our Company and the Lead Managers, have entered into an agreement April 10, 2019 with SERNET Financial Services Private Limited, a Market Maker registered with SME Platform of BSE in order to fulfil the obligations of Market Making.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the BSE Limited and SEBI regarding this matter from time to time. Following is a summary of the key details pertaining to the Market Making arrangement:

- 1) The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the Stock Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
- 2) The minimum depth of the quote shall be ₹1,00,000. However, the investors with holdings of value less than ₹1,00,000 shall be allowed to offer their holding to the Market Maker in that scrip provided that they sell their entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- 3) After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Shares of market maker in our Company reaches to 25%. (Including the 5% of Equity Shares of the Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above 5% of Issue Size would not be taken in to consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.
- 4) There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
- 5) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
- 6) There would not be more than five Market Makers for a scrip at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.

- 7) On the day of listing, there will be pre opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of listing on the discovered price during the pre-open call auction.
- 8) The shares of the Company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of BSE Limited and Market Maker will remain present as per the guidelines mentioned under BSE Limited and SEBI circulars.
- 9) 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.
- 10) The Market Maker shall have the right to terminate said arrangement by giving a six month notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker.

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 the Company and the Lead Manager reserve the right to appoint other Market Maker 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.

- 11) **Risk containment measures and monitoring for Market Makers:** BSE Limited SME Exchange will have all margins which are applicable on the BSE Limited Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE Limited can impose any other margins as deemed necessary from time-to-time.
- 12) **Punitive Action in case of default by Market Makers:** SME Platform of BSE Limited 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.

**Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹250 crores, the applicable price bands for the first day shall be:

- (a) In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
- (b) In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the SME Platform of BSE Limited.

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

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

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

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



## CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Prospectus and after giving effect to the Issue is set forth below:

No.	Particulars	Amount (₹ in lakhs)	
		Aggregate nominal value	Aggregate value at Issue Price
<b>A.</b>	<b>Authorised Share Capital</b>		
	40,00,000 Equity Shares of ₹10.00 each	400.00	-
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Share Capital before the Issue</b>		
	22,00,000 Equity Shares of ₹10.00 each	220.00	-
<b>C.</b>	<b>Present Issue in terms of this Draft Prospectus</b>		
	Issue of 8,10,000 Equity Shares for cash at a price of ₹45 per Equity Share	81.00	364.50
	<i>Which comprises:</i>		
	42,000 Equity Shares at a price of ₹45 per Equity Share reserved as Market Maker portion	4.20	18.90
	Net Issue to the Public of 7,68,000 Equity Shares at a price of ₹45 per Equity Share	76.80	345.60
	<i>Of which:</i>		
	3,84,000 Equity Shares at a price of ₹45 per Equity Share will be available for allocation to Retail Individual Investors up to ₹2,00,000/-	38.40	172.80
	3,84,000 Equity Shares at a price of ₹45 per Equity Share will be available for allocation to other than Retail Individual Investors above ₹2,00,000/-	38.40	172.80
<b>D.</b>	<b>Issued, Subscribed and Paid-up Share Capital after the Issue</b>		
	30,10,000 Equity Shares	301.00	-
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue	70.00	
	After the Issue	353.50	

*The Issue has been authorised by our Board pursuant to a resolution dated April 2, 2019, and by our Equity Shareholders pursuant to a resolution passed at the extraordinary general meeting held on April 4, 2019.*

### Class of Shares

The company has only one class of shares i.e. Equity shares of ₹ 10/- each only and all Equity Shares are ranked pari-passu in all respects.

All Equity Shares issued are fully paid-up as on date of the Draft Prospectus. Our Company has not issued any partly paid-up equity shares since its incorporation nor it does have any partly paid-up equity shares as on the date of the Draft Prospectus.

Our Company does not have any outstanding convertible instruments as on the date of the Draft Prospectus.

**Notes to the Capital Structure:****1. Details of changes in Authorised Share Capital:**

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

Particulars of Change		Date of Shareholders' Meeting	AGM / EGM
From	To		
₹50,00,000 consisting of 5,00,000 Equity shares of ₹10.00 each.		On incorporation	-
₹50,00,000 consisting of 5,00,000 Equity shares of ₹10.00 each.	₹1,00,00,000 consisting of 10,00,000 equity shares of ₹10.00 each	October 6, 2017	EGM
₹1,00,00,000 consisting of 10,00,000 equity shares of ₹10.00 each	₹2,00,00,000 consisting of 20,00,000 equity shares of ₹10.00 each	November 15, 2017	EGM
₹2,00,00,000 consisting of 20,00,000 equity shares of ₹10.00 each	₹4,00,00,000 consisting of 40,00,000 equity shares of ₹10.00 each	July 10, 2018	EGM

**2. History of Issued and Paid Up Share Capital of our Company:**

The history of the equity share capital of our Company is set forth below:

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Issue Price (₹)	Nature of Consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)	Cumulative Securities premium (₹)
On Incorporation	50,000	10.00	10.00	Cash	Subscription to MoA <sup>(1)</sup>	50,000	5,00,000	Nil
September 9, 2017	4,50,000	10	10	Cash	Preferential Allotment	5,00,000	50,00,000	Nil
October 31, 2017	5,00,000	10	10	Cash	Rights Issue	10,00,000	1,00,00,000	Nil
January 29, 2018	3,50,000	10	10	Cash	Rights Issue	13,50,000	1,35,00,000	Nil
February 3, 2018	5,00,000	10	10	Cash	Rights Issue	18,50,000	1,85,00,000	Nil
February 7, 2018	1,50,000	10	10	Cash	Rights Issue	20,00,000	2,00,00,000	Nil
March 15, 2019	2,00,000	10	45	Cash	Rights Issue	22,00,000	2,20,00,000	70,00,000

- Initial allotment of 29,980 Equity Shares each to Prashant A. Vora; 5,000 Equity Shares each to Seemaben P. Vora, Harsh P. Vora, Kinjal P. Vora and Nirmalaben A. Vora; 10 Equity Shares each to Swati A. Shah and Atulkumar V. Shah, being the subscribers to the MoA of our Company.
- Allotment of 2,00,000 Equity Shares to Prashant A. Vora, 1,50,000 Equity Shares to Seemaben P. Vora and 1,00,000 Equity Shares to Vora Prashantbhai Avantilal (HUF).
- Allotment of 2,50,000 Equity Shares each to Prashant A. Vora; 1,50,000 Equity Shares each to Seemaben P. Vora; 1,00,000 Equity Shares to Vora Prashantbhai Avantilal (HUF).

4. Allotment of 2,00,000 Equity Shares to Prashant A. Vora, 1,00,000 Equity Shares to Seemaben P. Vora and 50,000 Equity Shares to Nirmala A. Vora.
5. Allotment of 3,00,000 Equity Shares to Prashant A. Vora, 1,00,000 Equity Shares to Seemaben P. Vora and 1,00,000 Equity Shares to Nirmala A. Vora.
6. Allotment of 1,50,000 Equity Shares to Prashant A. Vora.
7. Allotment of 40,000 Equity Shares to Prashant A. Vora, 30,000 Equity Shares to Seemaben P. Vora; 30,000 Equity Shares to Vora Prashantbhai Avantilal (HUF); 25,000 Equity Shares to Kinjal P. Vora; 25,000 Equity Shares to Harsh P. Vora and 50,000 Equity Shares to Virti Enterprises Private Limited.

3. **Issue of Equity Shares for Consideration other than Cash:**

No Equity Shares have been issued by our Company for consideration other than cash or out of revaluation reserves on the date of this Draft Prospectus.

- a. Our Company has not issued any Equity Shares out of revaluation reserves since incorporation.
- b. Our Company has not made any bonus issues of Equity Shares in the past.
4. Our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 and Sections 230 to 234 of the Companies Act, 2013.
5. Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

6. **Issue of Shares in the preceding two years**

Since our Company was incorporated in July 2017 entire Equity Shares have been allotted in preceding two years.

7. 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.

8. **Issue of Equity Shares in the last one year below the Issue Price:**

Our Company has not issued any Equity Shares in the one year immediately preceding the date of the Draft Prospectus below the Issue Price.

9. As on the date of the Draft Prospectus, our Company does not have any preference share capital.

10. **Build Up of our Promoter's Shareholding, Promoter's Contribution and Lock-In:**

As on the date of this Draft Prospectus, our Promoter holds 13,19,980 Equity Shares, constituting 60.00% of the pre-issued, subscribed and paid-up Equity Share capital of our Company.

- a) *Build-up of our Promoter's shareholding in our Company*

Date of Allotment / Transfer	Nature of acquisition (Allotment/ Acquired/ transfer)	Number of Equity Shares	Face Value per Equity Share (in ₹)	Issue Price /Acquisition Price / Transfer price per Equity Share (in ₹)	Nature of Consideration	Percentage of Pre-Issue Equity Share Capital (%)	Percentage of Post-Issue Equity Share Capital (%)
<b>Prashant A. Vora</b>							
On Incorporation	Subscription to MoA	29,980	10	10	Cash	1.36%	1.00%
September 9, 2017	Preferential Allotment	2,00,000	10	10	Cash	9.09%	6.64%
October 31, 2017	Rights Issue	2,50,000	10	10	Cash	11.36%	8.31%
January 29, 2018	Rights Issue	2,00,000	10	10	Cash	9.09%	6.64%
February 3, 2018	Rights Issue	3,00,000	10	10	Cash	13.64%	9.97%
February 7, 2018	Rights Issue	1,50,000	10	10	Cash	6.82%	4.98%
October 1, 2018	Gift from Nirmalaben A. Vora	1,50,000	10	Nil	Nil	6.82%	4.98%
March 15, 2019	Rights Issue	40,000	10	45	Cash	1.82%	1.33%
<b>Total</b>		<b>13,19,980</b>				<b>60.00%</b>	<b>43.85%</b>

Our Promoter has confirmed to the Company and the Lead Manager that the acquisition of the Equity Shares forming part of the Promoter's Contribution has been financed from personal funds/internal accruals and no loans or financial assistance from any banks or financial institution has been availed by our Promoter for this purpose. All the Equity Shares held by our Promoter were fully paid-up on the respective dates of acquisition of such Equity Shares. As on the date of this Draft Prospectus, none of the Equity Shares held by our Promoter are pledged.

*b) Details of Promoter's Contribution Locked-in for Three Years*

Pursuant to Regulations 236 and 238 of the SEBI (ICDR) Regulations, an aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by our Promoter shall be provided towards minimum promoters' contribution and locked-in for a period of three years from the date of Allotment ("Minimum Promoters' Contribution"). Details of the Equity Shares (eligible for inclusion in the Minimum Promoters' Contribution, in terms of Regulation 33 of the SEBI (ICDR) Regulations) forming part of Minimum Promoters' Contribution and proposed to be locked-in for a period of three years are as follows:

Date of Allotment / Transfer	Nature of acquisition (Allotment/ Acquired/ transfer)	Number of Equity Shares	Face Value per Equity Share (in ₹)	Issue Price /Acquisition Price / Transfer price per Equity Share (in ₹)	Nature of Consideration	Percentage of Post-Issue Equity Share Capital (%)
<b>Prashant A. Vora</b>						
January 29, 2018	Rights Issue	2,00,000	10	10	Cash	6.64%
February 3, 2018	Rights Issue	3,00,000	10	10	Cash	9.97%
February 7, 2018	Rights Issue	1,02,000	10	10	Cash	3.39%
<b>Total</b>		<b>6,02,000</b>				<b>20.00%</b>

Our Promoter has granted written consent to include such number of Equity Shares held by him as may constitute 20% of the post issue Equity Share capital of our Company as Minimum Promoters; Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Minimum Promoters' Contribution from the date of filing of this Draft Prospectus until the commencement of the lock-in period specified above, or for such other time as required under SEBI (ICDR) Regulations, except as may be permitted, in accordance with the SEBI (ICDR) Regulations.

In terms of Regulation 237 of the SEBI (ICDR) Regulations, 2018, we confirm that the Minimum Promoters' Contribution of 20.10% of the Post Issue Capital of our Company as mentioned above does not consist of;

- Equity Shares acquired during the preceding three years for;
  - consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction;
  - resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the company or from bonus issue against equity shares which are ineligible for minimum Promoters' contribution;
- The Equity Shares held by the Promoters and offered for Minimum Promoters' contribution which are subject to any pledge with any creditor;
- Equity Shares acquired by Promoters during the preceding one year at a price lower than the price at which equity shares are being offered to public in the Initial Public offer;
- No Equity shares have been issued to our promoters upon conversion of a partnership firm during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms or limited liability partnerships, where the partners of the erstwhile partnership firms or limited liability partnerships are the promoters of the issuer and there is no change in the management are ineligible for Minimum Promoters' Contribution.

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

In addition to Minimum Promoters' Contribution which shall be locked-in for three years, the balance 24,08,000 Equity Shares held by Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer as provided in clause (b) of Regulation 238 of the SEBI (ICDR) Regulations, 2018.

d) Other requirements in respect of ‘lock-in’

In terms of Regulation 239 of the SEBI (ICDR) Regulations, 2018, the entire pre-issue capital held by the Persons other than the Promoter shall be locked in for a period of one year from the date of allotment in the Initial Public Issue.

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription “Non-Transferable” and specify the lock-in period and in case such equity shares are dematerialized, the Company shall ensure that the lock-in is recorded by the Depository.

In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018, the Equity Shares held by our Promoters and locked in may be pledged as a collateral security for a loan granted by a scheduled commercial bank or public financial institution or a systemically important non-banking finance company or housing finance company, subject to following;

- In case of Minimum Promoters’ Contribution, the loan has been granted to the issuer company or its subsidiary (ies) for the purpose of financing one or more of the Objects of the Issue and pledge of equity shares is one of the terms of sanction of the loan.
- In case of Equity Shares held by Promoters in excess of Minimum Promoters’ contribution, the pledge of equity shares is one of the terms of sanction of the loan.

However, lock in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock in period stipulated has expired.

**Transferability of Locked in Equity Shares:**

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 and subject to provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable;

- The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the Promoters’ Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
- The equity shares held by persons other than promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoter and Promoters’ Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lockin period stipulated has expired.

## 11. Our shareholding pattern

Pursuant to Regulation 31 of the SEBI (LODR) Regulations, the holding of specified securities is divided into the following three categories: (a) Promoter and Promoter Group; (b) Public; and (c) Non-Promoter - Non Public.

Category (I)	Category of shareholder (II)	No. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (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) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (XI)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) As a % of (A+B+C2) (XI) = (VII) + (X)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No of Voting Rights					Total as a % of (A+B+C)	No. (a)	As a % of total Shares held (b)	No. (a)		As a % of total Shares held (b)
								Class : Equity	Class : preference	Total								
(A)	Promoter & Promoter Group	8	22,00,000	-	-	22,00,000	100.00	22,00,000	-	22,00,000	100.00	-	-	-	-	-	20,00,000	
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Nil
(C)	Non Promoter - Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>8</b>	<b>22,00,000</b>	<b>-</b>	<b>-</b>	<b>22,00,000</b>	<b>100.00</b>	<b>22,00,000</b>	<b>-</b>	<b>22,00,000</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,00,000</b>

Note: The term "Encumbrance" has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

- Our Company will file the shareholding pattern of our Company in the form prescribed under Regulation 31 of SEBI (LODR) Regulations, one day prior to the listing of the Equity Shares. The shareholding pattern will be uploaded on the website of BSE Limited before commencement of trading of our Equity Shares.
- There are no Equity Shares against which depository receipts have been issued.
- Other than the Equity Shares, there is no other class of securities issued by our Company

12. The shareholding pattern of our Promoter and Promoter Group before and after the Issue is set forth below:

Sr.	Particulars	Pre Issue		Post Issue	
		No. of Shares	% Holding	No. of Shares	% Holding
a)	<b>Promoter</b>				
	Prashant A. Vora	13,19,980	60.00%	13,19,980	43.85%
b)	<b>Promoter Group</b>				
	Seemaben P. Vora	5,35,000	24.32%	5,35,000	17.77%
	Vora Prashantbhai Avantilal (HUF)	2,30,010	10.46%	2,30,010	7.64%
	Virti Enterprises Private Limited	50,000	2.27%	50,000	1.66%
	Harsh P. Vora	30,000	1.36%	30,000	1.00%
	Kinjal P Vora	30,000	1.36%	30,000	1.00%
	Nirmalaben A. Vora	5,000	0.23%	5,000	0.17%
	Vora Securities LLP	10	0.00%	10	0.00%
	<b>Total</b>	<b>22,00,000</b>	<b>100.00%</b>	<b>22,00,000</b>	<b>73.09%</b>

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

Name of the Promoter	No. of Equity Shares held	Average cost of Acquisition (in ₹)
Prashant A. Vora	13,19,980	9.92

14. None of our Directors or Key Managerial Personnel hold Equity Shares in our Company, other than as set forth below:

Name	No. of Equity Shares held	Pre-Issue percentage of Shareholding
<b>Directors</b>		
Prashant A. Vora	13,19,980	60.00%
Harsh P. Vora	30,000	1.36%
<b>Key Managerial Personnel</b>		
Nil	Nil	Nil
<b>Total</b>	<b>13,49,980</b>	<b>61.36%</b>

15. Particulars of top ten shareholders and the number of Equity Shares held by them are set forth below:

a. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date of the Draft Prospectus:

Sr. No.	Name of shareholder	No. of Equity Shares	% of Issued Capital
1.	Prashant A. Vora	13,19,980	60.00%
2.	Seemaben P. Vora	5,35,000	24.32%
3.	Vora Prashantbhai Avantilal (HUF)	2,30,010	10.46%
4.	Virti Enterprises Private Limited	50,000	2.27%
5.	Harsh P. Vora	30,000	1.36%
6.	Kinjal P Vora	30,000	1.36%
	<b>Total</b>	<b>21,94,990</b>	<b>99.77%</b>



- b. *List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date two years prior to the date of the Draft Prospectus:*

Our Company is incorporated on July 27, 2018 and hence, List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date two years prior to the date of the Draft Prospectus is not applicable.

- c. *List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date one year prior to the date of the Draft Prospectus:*

Sr. No.	Name of shareholder	No. of Equity Shares	% of Issued Capital
1.	Prashant A. Vora	11,29,980	56.50%
2.	Seemaben P. Vora	5,05,000	25.25%
3.	Vora Prashantbhai Avantilal (HUF)	2,00,010	10.00%
4.	Nirmalaben A. Vora	1,55,000	7.75%
	<b>Total</b>	<b>19,89,990</b>	<b>99.50%</b>

- d. *List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date ten days prior to the date of the Draft Prospectus:*

Sr. No.	Name of shareholder	No. of Equity Shares	% of Issued Capital
1.	Prashant A. Vora	13,19,980	60.00%
2.	Seemaben P. Vora	5,35,000	24.32%
3.	Vora Prashantbhai Avantilal (HUF)	2,30,010	10.46%
4.	Virti Enterprises Private Limited	50,000	2.27%
5.	Harsh P. Vora	30,000	1.36%
6.	Kinjal P Vora	30,000	1.36%
	<b>Total</b>	<b>21,94,990</b>	<b>99.77%</b>

16. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of this 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 for 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 venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.
17. None of our Promoter, members of our Promoter Group or our Directors or their immediate relatives have sold or purchased Equity Shares by any other person during the six months immediately preceding the date of this Draft Prospectus.
18. There have been no financial arrangements whereby our Promoter, 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 months preceding the date of this Draft Prospectus, other than in the normal course of business of the financing entity.
19. Our Company, our Promoters, our Directors and the Lead Manager to this Issue have not entered into any buy-back and/or standby or similar arrangements with any person for purchase of our Equity Shares issued by our Company through this Draft Prospectus.
20. There are no safety net arrangements for this public issue.

21. An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the minimum allotment lot and multiple of one share thereafter, while finalizing the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Issue as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock- in shall be suitably increased so as to ensure that 20% of the Post Issue paid-up capital is locked in for 3 years.
22. Under-subscription in the net Issue, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the BSE Limited.
23. As on the date of filing of this Draft Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
24. All the Equity Shares of our Company are fully paid up as on the date of this 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.
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. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
29. No payment, direct or indirect in the nature of discount, commission, allowances or otherwise shall be made either by us or our Promoter to the persons who receive allotments, if any, in this Issue.
30. We have 8 (Eight) Shareholders as on the date of this Draft Prospectus.
31. Our Promoter and the members of our Promoter Group will not participate in this Issue.
32. Our Company has not made any public issue since its incorporation.
33. As on the date of this Draft Prospectus, the Lead Manager and their respective associates (determined as per the definition of ‘associate company’ under Section 2(6) of the Companies Act, 2013) do not hold any Equity Shares in our Company. The Lead Manager and their respective affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may in the future receive customary compensation.
34. Our Company shall ensure that transactions in the Equity Shares by the Promoter and the Promoter Group between the date of filing this Draft Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
35. For the details of transactions by our Company with our Promoter Group, Group Companies please refer to paragraph titled “*Details of Standalone Related Party Transactions, as Restated*” in ‘*Financial Statements*’ on page 109.

## OBJECTS OF THE ISSUE

The objects of the Net Proceeds (as defined below) of the Issue are:

### 1. Meeting Additional Working Capital Requirements

We believe that listing will give more visibility and enhance corporate image our Company. We also believe that our Company and shareholders will receive the benefits from listing of Equity Shares on the SME Platform of BSE. It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

The main object clause of Memorandum of Association of our Company enables us to undertake the activities for which the funds are being raised by us through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association. For the main objects clause of our Memorandum of Association, see “History and Certain Corporate Matters” on page 74.

### Issue Proceeds and Net Proceeds

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

S. No.	Particulars	Amount (₹ in lakhs)
1	Gross Proceeds of the Issue	364.50
2	Issue Expenses	20.00
3	<b>Net Proceeds of the Issue (excluding the Issue Expenses) (“Net Proceeds”)</b>	<b>344.50</b>

### Utilization of Net Proceeds and Means of Finance

The proposed utilisation of the Net Proceeds is set forth below:

Sr. No.	Object	Amount Proposed to be Utilised from the Net Proceeds (₹ in lakhs)
1.	Meeting Additional Working Capital Requirements	344.50
	<b>Total</b>	<b>344.50</b>

*Since the entire fund requirement are to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue.*

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

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

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

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

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "Risk Factors" beginning on page 18.

#### Details of Use of Net Issue Proceeds:

##### 1. Meeting additional working capital requirements

We will need additional working capital for the growth of our business. We have estimated our additional working capital requirements for FY 2020 which will be funded through the proposed public issue. The working capital will be primarily used for expanding our business operations. Our Company proposes to meet the incremental requirement to the extent of ₹ 349.50 Lakhs for the FY 2020 from the Net Proceeds of the Issue. The details of estimation of working capital are as mentioned below:

(₹ lakhs)

Particulars	31-Mar-19		31-Mar-20	
	Actuals	No. of Days	Estimated	No. of Days
<b>Current Assets</b>				
Trade Receivables	0.00		200.01	68.80
Inventories	266.13	136.96	380.00	130.72
Other Current Assets	59.48		183.70	
<b>Total</b>	<b>325.61</b>		<b>763.71</b>	
<b>Current Liabilities</b>				
Trade payables	0.00		47.92	19.31
Other Current Liabilities	0.00		0.00	
Short Term Provisions/Current Tax Liabilities	10.96		29.70	
<b>Total</b>	<b>10.96</b>		<b>77.62</b>	
Working Capital Gap	<b>314.65</b>		<b>686.09</b>	
Less: Existing Bank Borrowings	23.06		50.00	
<b>Net Working Capital Requirement</b>	<b>291.59</b>		<b>636.09</b>	
<b>Proposed Working Capital to be funded from IPO</b>			<b>344.50</b>	
Funded through Internal Accruals and Equity	291.59		291.59	

#### Justification (FY 2019-20):

<b>Trade Receivables</b>	We expect Debtors Holding days to be at appx. 69 Days for Fiscal 2019-20 based on increased business and increased business from real estate segment..
<b>Inventories</b>	We expect our inventory holding period to be more or less similar as that of previous year i.e. approx. 130 days.

<b>Trade Payables</b>	We expect Creditors payments days to be appx. 19.31 Days for Fiscal 2019-20 due to increase in business volume from gems and jewellery segment and also from real estate segment.
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### Issue Related Expenses

The total expenses of the Issue are estimated to be approximately ₹20.00 lakhs. The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, advertisement expenses and legal fees, if applicable. The estimated Issue expenses are as follows:

Activity	Estimated expenses	As a % of the total estimated Issue expenses	As a % of the total Issue size
Payment to Merchant Banker including, underwriting and selling commissions, brokerages, Advisors to the Company, payment to other intermediaries such as Legal Advisors, Registrars etc. and other out of pocket expenses.	14.50	72.50%	3.98%
Advertising and marketing expenses	1.50	7.50%	0.41%
Printing and stationery expenses, distribution and postage	2.00	10.00%	0.55%
Regulatory and other expenses including Listing Fee	2.00	10.00%	0.55%
<b>Total estimated Issue expenses</b>	<b>20.00</b>	<b>100.00%</b>	<b>5.49%</b>

### Schedule of implementation

The entire amount of Working capital and General Corporate purposes will be utilized during FY 2019-20.

**Deployment of Funds in the Project:** Our Company has not incurred any expenditure on the project till March 31, 2019.

### Details of balance fund deployment

Sr. No.	Particulars	Expenses Already Incurred till March 31, 2019	FY 2019-20	Total
1.	Meeting Additional Working Capital Requirements	0.00	344.50	<b>344.50</b>
2.	Public Issue Expenses	0.00	20.00	<b>20.00</b>
	<b>Total</b>	<b>0.00</b>	<b>364.50</b>	<b>364.50</b>

### Interim Use of Funds

Pending utilization for the purposes described above, we undertake to temporarily deposit the funds from the Net Proceeds in the scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in the equity shares of any other listed company.

### Appraisal Report

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

### **Bridge Loan**

As of the date of this Draft Prospectus, our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds. However, depending on its business requirements, our Company may consider raising bridge financing facilities, pending receipt of the Net Proceeds.

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

As the size of the Issue will not exceed Rs.10,000 Lakhs, the appointment of Monitoring Agency would not be required as per Regulation 262(1) of the SEBI ICDR Regulations. Our Board and the management will monitor the utilization of the Net Issue Proceeds through our audit committee. Pursuant to Regulation 32 of the SEBI Listing Regulations, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full..

### **Variation in Objects**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the shareholders by way of a special resolution. In addition, the notice issued to the shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act 2013. Pursuant to the Companies Act 2013, the Promoters or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects of the Issue at the fair market value of the Equity Shares as on the date of the resolution of our Board recommending such variation in the terms of the contracts or the objects referred to in the Draft Prospectus, in accordance with such terms and conditions as may be specified on this behalf by SEBI.

### **Other Confirmations**

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

## BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled “Risk Factors”, the details about our Company under the chapter titled "Our Business" and its financial statements under the section titled "Financial information of the Company" beginning on pages 18, 67 and 93 respectively including important profitability and return ratios, as set out in "Annexure VI" under the section titled Financial Information of the Company on page 93 to have a more informed view. The issue price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his/their investment.

### **Qualitative Factors**

For details of Qualitative factors please refer to the paragraph “Our Competitive Strengths” in “Our Business” beginning on page 67.

### **Quantitative Factors (Based on Standalone Financial Statements)**

#### **1. Basic & Diluted Earnings Per Share (EPS):**

The EPS for the period ended March 31, 2018 is 0.40

The EPS for the financial year ended March 31, 2019 is 1.50

Notes:

1. Basic EPS and Diluted EPS calculations are in accordance with Accounting Standard 20 (AS-20) 'Earnings per Share', notified under Section 133 of Companies Act, 2013 read together along with paragraph 7 of the Companies (Accounts) Rules, 2014.
2. Basic Earnings per share = Net profit/ (loss) after tax, as restated attributable to equity shareholders /Weighted average number of shares outstanding during the year/ period.
3. Diluted Earnings per share = Net profit after tax, as restated / Weighted average number of diluted equity shares outstanding during the year/ period.
4. The figures disclosed above are based on the Restated Consolidated Financial Statements of our Company.

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

- a. Based on the EPS of ₹1.50 for the year ended March 31, 2019, the P/E ratio is 30.00.

Note: P/E Ratio= Issue Price / Basic EPS for FY 2019

- b. Industry P/E\*

Highest – Lypsa Gems and Jewellery Limited	115.67
Lowest – Swarnasarita Gems Limited	5.26
Average – Diamond Cutting / Jewellery	43.2

\*As on date real estate forms a very minor proportion of our revenues, hence we have considered only Diamond and Jewellery industry.

Notes:

- (1) The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, please see the paragraph entitled “Comparison of Accounting Ratios with Listed Industry Peers ” on next page.
- (2) P/E figures for the peers are based on as mentioned on BSE Site on April 11, 2019.

### 3. Return on Net Worth

The Return on Net Worth for the period ended March 31, 2018 is 1.93%

The Return on Net Worth for the financial year ended March 31, 2019 is 9.38%

### 4. Net Asset Value per Equity Share

- As of March 31, 2019 ₹14.55
- NAV per Equity Share after the Issue is ₹22.75
- Issue Price per Equity Share is ₹45.00

Notes:

1. Return on Net Worth (%) = Net Profit after tax, as restated / Net worth as restated as at year end for FY 2019

### 5. Comparison of Accounting Ratios with Listed Industry Peers

Name of the Company	CMP * (₹)	Face Value (₹)**	EPS ** TTM	P/E Ratio **	NAV # (₹)	RONW # (%)
Narbada Gems and Jewellery Limited	65.20	10	1.48	42.43	14.9	15.3
Lypsa Jems and Jewellery Limited	6.61	10	0.06	115.67	47.7	26.5
Goldiam International Limited	75.90	10	8.09	9.44	162.9	6.0
Swarnasarita Gems Limited	11.79	10	2.11	5.26	44.9	5.0
Parshva Enterprises Limited##	45.00	10	1.50	30.10	14.55	9.38

\*Closing price on April 10, 2019 at BSE and for our Company its considered as issue price.

\*\*Source: BSE; # Source: Capital Market, April 8– April 21, 2019 based on FY 2018 financial statements.

##: Source: Restated financial statements for FY 2019

The face value of Equity Shares of our Company is ₹10/- per Equity Share and the Issue price of ₹45 is 4.50 times of the face value.

The Issue Price of ₹45 is determined by our Company, in consultation with the Lead Manager is justified based on the above accounting ratios. For further details, please refer to the section titled 'Risk Factors', and chapters titled 'Our Business' and 'Financial Information' beginning on page 18, 67 and 93, respectively of the Draft Prospectus.



## STATEMENT OF TAX BENEFITS

### STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO PARSHVA ENTERPRISES LIMITED AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To,  
**The Board of Directors**  
**Parshva Enterprises Limited**  
811, A Wing,  
Jaswanti Allied Business Centre,  
Ramchandra Lane Extn.,  
Malad West, Mumbai – 400064, India

Dear Sirs,

**Sub: Statement of possible special tax benefits (“the Statement”) available to Parshva Enterprises Limited (“the Company”) and its shareholders prepared in accordance with the requirements of the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018, as amended (“the Regulations”)**

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

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

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

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

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

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

The enclosed annexure is intended for your information and for inclusion in this 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 M/s. Chaudhary Chaudhary & Co.,**  
Chartered Accountants

CA Alok Kumar Mishra  
Partner

**Membership No:** 124184

**Firm Registration No:**002910C

**Date:** April 8, 2019

**Place:** Mumbai

**Annexure**

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

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

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

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

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

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

## SECTION IV: ABOUT THE COMPANY INDUSTRY OVERVIEW

*Disclaimer: The information in this chapter has been extracted from the websites of and publicly available documents from various sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with this Issue has independently verified the information provided in this chapter. Industry sources and publications, referred to in this chapter, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.*

### **Indian Economy**

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

#### **Introduction**

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships.

#### **Market size**

India's GDP is estimated to have increased 7.2 per cent in 2017-18 and 7 per cent in 2018-19. India has retained its position as the third largest startup base in the world with over 4,750 technology start-ups.

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

India's foreign exchange reserves were US\$ 405.64 billion in the week up to March 15, 2019, according to data from the RBI.

#### **Road Ahead**

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

India's revenue receipts are estimated to touch Rs 28-30 trillion (US\$ 385-412 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetisation and Goods and Services Tax (GST).

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers.

## GEMS AND JEWELLERY INDUSTRY IN INDIA

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



## **Introduction**

The Gems and Jewellery sector plays a significant role in the Indian economy, contributing around 7 per cent of the country's GDP and 15 per cent to India's total merchandise exports. It also employs over 4.64 million workers and is expected to employ 8.23 million by 2022. One of the fastest growing sectors, it is extremely export oriented and labour intensive.

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

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

## **Market size**

Gold demand in India rose to 523.93 tonnes between January to September 2018. India's gems and jewellery exports stood at US\$ 20.73 billion between Apr-Nov\*. During the same period, exports of cut and polished diamonds stood at US\$ 16.55 billion, thereby contributing about 79.84 per cent of the total gems and jewellery exports in value terms. Exports of gold coins and medallions stood at US\$ 258.35 million and silver jewellery export stood at US\$ 503.17 million between Apr-Nov 2018.

The gems and jewellery market in India is home to more than 300,000 players, with the majority being small players. Its market size is about US\$ 75 billion as of 2017 and is expected to reach US\$ 100 billion by 2025. It contributes 29 per cent to the global jewellery consumption.

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

## **Investments/Developments**

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

The cumulative Foreign Direct Investment (FDI) inflows in diamond and gold ornaments in the period April 2000 – June 2018 were US\$ 1.15 billion, according to Department of Industrial Policy and Promotion (DIPP).

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

- Deals worth Rs 8,000 crore (US\$ 1.19 billion) were made at the Indian International Jewellery Show held in August 2018.

- Companies such as PC Jewellers, PNG Jewellers, Popley and Sons, are planning to introduce a virtual-reality (VR) experience for their customers. The customer will have to wear a VR headset, through which they can select any jewellery, see the jewellery from different angles and zoom on it to view intricate designs.

### Government Initiatives

- The Bureau of Indian Standards (BIS) has revised the standard on gold hallmarking in India from January 2018. The gold jewellery hallmark will now carry a BIS mark, purity in carat and fitness as well as the unit's identification and the jeweller's identification mark. The move is aimed at ensuring a quality check on gold jewellery.
- The Gems and Jewellery Export Promotion Council (GJEPC) signed a Memorandum of Understanding (MoU) with Maharashtra Industrial Development Corporation (MIDC) to build India's largest jewellery park in at Ghansoli in Navi-Mumbai on a 25 acres land with about more than 5000 jewellery units of various sizes ranging from 500-10,000 square feet. The overall investment of Rs 13,500 crore (US\$ 2.09 billion).
- Gold Monetisation Scheme enables individuals, trusts and mutual funds to deposit gold with banks and earn interest on the same in return.

### India Advantage



### Road Ahead

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

## INDIAN REAL ESTATE INDUSTRY

Source: <https://www.ibef.org/industry/real-estate-india.aspx>

### Introduction

The real estate sector is one of the most globally recognized sectors. Real estate sector comprises four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

It is also expected that this sector will incur more non-resident Indian (NRI) investments in both the short term and the long term. Bengaluru is expected to be the most favoured property investment destination for NRIs, followed by Ahmedabad, Pune, Chennai, Goa, Delhi and Dehradun.

### Market Size

Real estate sector in India is expected to reach a market size of US\$ 1 trillion by 2030 from US\$ 120 billion in 2017 and contribute 13 per cent of the country's GDP by 2025. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.

Sectors such as IT and ITeS, retail, consulting and e-commerce have registered high demand for office space in recent times. Commercial office stock in India is expected to cross 600 million square feet by 2018 end while office space leasing in the top eight cities is expected to cross 100 million square feet during 2018-20. Gross office absorption in top Indian cities has increased 26 per cent year-on-year to 36.4 million square feet between Jan-Sep 2018. Co-working space across top seven cities has increased sharply in 2018 (up to September), reaching 3.44 million square feet, compared to 1.11 million square feet for the same period in 2017.

### Investments/Developments

The Indian real estate sector has witnessed high growth in recent times with the rise in demand for office as well as residential spaces. Private Equity and Venture Capital investments in the sector have reached US\$ 4.1 billion between Jan-Nov 2018. Institutional investments in India's real estate are expected to reach US\$ 5.5 billion for 2018, the highest in a decade.

According to data released by Department of Industrial Policy and Promotion (DIPP), the construction development sector in India has received Foreign Direct Investment (FDI) equity inflows to the tune of US\$ 24.87 billion in the period April 2000-June 2018.

Some of the major investments and developments in this sector are as follows:

- New housing launches across top seven cities in India are expected to increase 32 per cent year-on-year by 2018 end to 193,600 units.
- In September 2018, Embassy Office Parks announced that it would raise around Rs 52 billion (US\$ 775.66 million) through India's first Real Estate Investment Trust (REIT) listing.
- New housing launches across top seven cities in India increased 50 per cent quarter-on-quarter in April-June 2018.
- In May 2018, Blackstone Group acquired One Indiabulls in Chennai from Indiabulls Real Estate for around Rs 900 crore (US\$ 136.9 million).



- In February 2018, DLF bought 11.76 acres of land for Rs 15 billion (US\$ 231.7 million) for its expansion in Gurugram, Haryana.

### **Government Initiatives**

The Government of India along with the governments of the respective states has taken several initiatives to encourage the development in the sector. The Smart City Project, where there is a plan to build 100 smart cities, is a prime opportunity for the real estate companies. Below are some of the other major Government Initiatives:

- Under the Pradhan Mantri Awas Yojana (PMAY) Urban, more than 6.85 million houses have been sanctioned up to December 2018.
- In February 2018, creation of National Urban Housing Fund was approved with an outlay of Rs 60,000 crore (US\$ 9.27 billion).
- Under the Pradhan Mantri Awas Yojana (PMAY) Urban 1,427,486 houses have been sanctioned in 2017-18. In March 2018, construction of additional 3,21,567 affordable houses was sanctioned under the scheme.

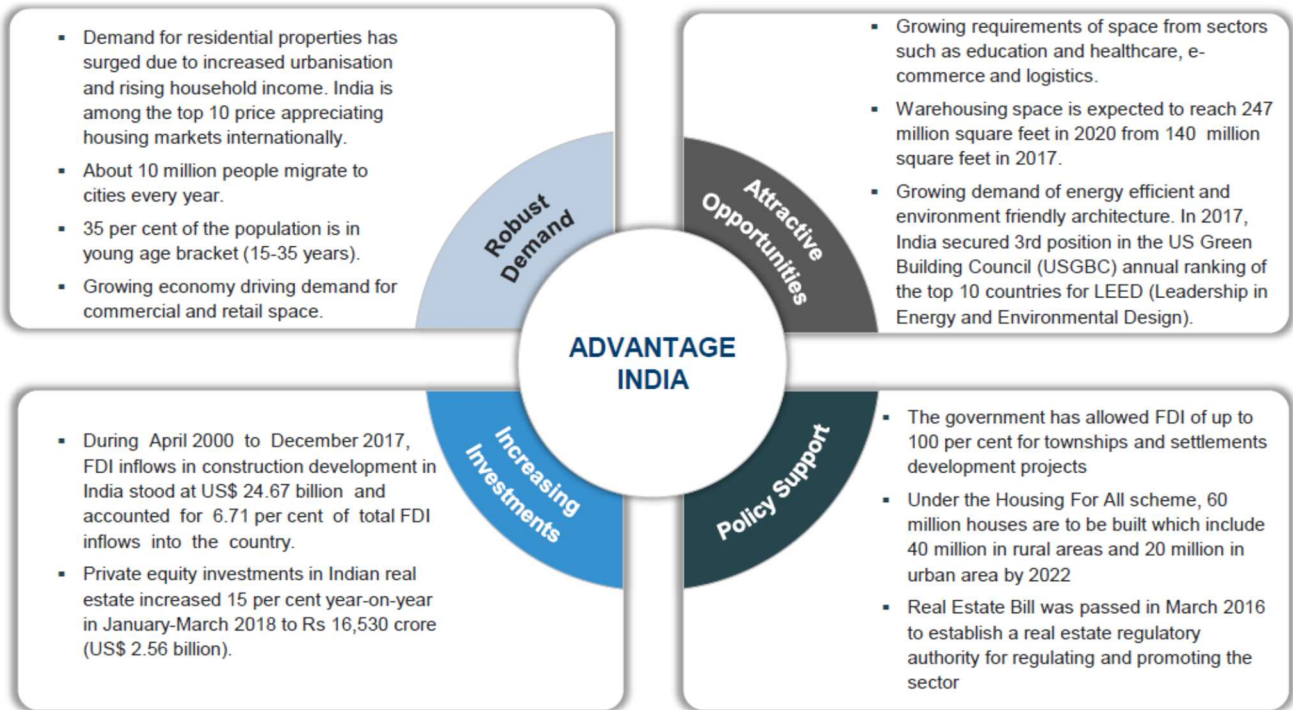
### **Road Ahead**

The Securities and Exchange Board of India (SEBI) has given its approval for the Real Estate Investment Trust (REIT) platform which will help in allowing all kinds of investors to invest in the Indian real estate market. It would create an opportunity worth Rs 1.25 trillion (US\$ 19.65 billion) in the Indian market over the years. Responding to an increasingly well-informed consumer base and, bearing in mind the aspect of globalisation, Indian real estate developers have shifted gears and accepted fresh challenges. The most marked change has been the shift from family owned businesses to that of professionally managed ones. Real estate developers, in meeting the growing need for managing multiple projects across cities, are also investing in centralised processes to source material and organise manpower and hiring qualified professionals in areas like project management, architecture and engineering.

The growing flow of FDI into Indian real estate is encouraging increased transparency. Developers, in order to attract funding, have revamped their accounting and management systems to meet due diligence standards.

### **Advantage India**

**Source: IBEF, Real Estate, May 2018**



## OUR BUSINESS

### Overview

We are mainly engaged in the wholesale supply and trading of precious stones, primarily cut and polished diamonds. We also deal in gold jewellery. We sell our products to our clients domestically. We are located in Mumbai, which is an established jewellery market which give us an added advantage in terms of procurement.

We deal in variety of diamonds which include both rough and polished diamonds. We buy and sell diamonds in local markets as per the demand. We also sell diamonds of multiple categories based on different shapes, size, cut and fancy color. We mainly deal in diamonds of 0.10 – 5.0 carats. Well-cut diamonds sell at a premium and poorly cut diamonds sell at comparatively cheaper prices. The term "cut" can also refer to the style of the diamond cut, for instance, certain diamond types are known as "princess cut diamonds," "round cut diamonds," or "heart cut diamonds." The width and depth of the cut can have an effect on how light travels within the diamond and how it exits in the form of brilliance. Size is the most visible factor that determines the value of all diamond types. The price of the diamond rises exponentially depending on its size. While some of the other quality metrics have more bearing in the quality of specific types of diamonds, carat merely denotes the size of a diamond, by its weight. Large diamonds are rarer to find in mines than small ones and thus large diamond types are much more valuable.

We do grading and cut evaluation and select only the best goods for our business. Some of our Diamonds are also GIA certified. We only deal in natural diamonds that are free from any treatment or enhancement. We guarantee that the diamonds are conflict free, based on personal knowledge and / or written guarantees by suppliers. Our team monitors every stage from procurement to sales to ensure that the diamonds are procured from reliable and certified sources.

We are also engaged in gold jewellery business. We primarily sell gold jewellery i.e. Chains, Bangles, Necklace, Pendant, Bracelet, Earrings and other jewellery studded or non-studded with pearls, diamonds, and other precious stones. We offer our Jewellery across different price ranges from low to high to cater to our customer base. We help our customers to choose the best suited product according to latest trends and fashion.

Over the period, our team has developed a portfolio, which enables us to provide a range of choices to our customers. We offer our customers a wide range of Jewellery in order to cater to regional as well as international tastes.

We are also engaged in investment in real estate properties in Mumbai for the purpose of selling them for trading gains. In our real estate business we are focused on Maharashtra and Gujarat. We invest in both residential and commercial properties based on our own study of the market. We are also involved in real estate broking. We deal in range of properties and apartments of varying sizes, with a focus on the middle and higher end of the market. Our investment may be by way of a registered deed or by way of an agreement to sale / allotment letter without registration. We have currently invested in commercial property situated at Malad West, Mumbai admeasuring about 23.23 sq. meter.

### Our Competitive Strengths

#### 1. Quality

Our Company has always believed in the best quality in our sourcing process and products. Our Company is dedicated towards quality of our products that satisfies need of our customers and quality standards prescribed by them.

#### 2. Multiple Products

We sell diamonds of multiple categories, different shape, size, cut and fancy colour. Our Company offer various products such as Chains, Rings, Necklace, Pendants, Bracelet, Earrings and other jewellery studded with pearls and precious stones. We trade in multiple jewellery products to cater to the specific needs of our clients.

### **3. Our domain expertise**

In a short span, we have collected a large range of designs of Jewellery for our customers. We believe, we understand the market trends, which enables us to be proactive and to suitably develop product mix for our various customers. We believe that our range of designs and ability to always being abreast of the latest trends helps us to provide more and better choices to our customers.

### **4. Leadership**

Our Company is managed by our Promoter along with his team having knowledge of core aspects of our Business. Our promoter viz. Prashant A. Vora has been spear heading our Company's performance. Our Promoters are well assisted by our dedicated Key Managerial Persons. We believe that the business understanding of our management will enable us to continue to take advantage of both current and future market opportunities.

### **Our Business Strategy**

#### **1. Enhancing our existing customer base**

Our present customer base comprises of corporates and other clients including various wholesalers and retailers. Our Company intends to grow the business continuously by adding new customers. To remain aggressive and capitalize a good market share, we believe in offering competitive prices to our customers. This helps us to sustain the competition and claim a position of strength in the marketplace.

#### **2. Increase geographical presence**

Our business has been currently located in Mumbai region. Going forward we plan to establish our presence in the other areas such as Thane, Surat and Ahmedabad. Our emphasis is on expanding the scale of our operations as well as growing our geographical presence, which we believe will provide attractive opportunities to grow our business and revenues.

#### **3. Attracting and retaining the quality manpower.**

In our industry People are the most valuable asset of the company and the reputation of the company will be built up by the management team. The dedication of the employees and skill, integrity and technical analytical mind results in success and growth of business. The well informed, technically and professionally qualified employee will help the clients to take correct decision and thereby we can retain the clients and increase our clientele through mouth publicity of our company. We intend to continue to seek out talent to further enhance and grow our business.

#### **4. Value addition for better margins**

As an important strategy for our business growth, we intend to offer value added products for better margins. This will include procuring raw and rough diamonds and get them cut and polished on job work basis from third party job workers. Another feature will be providing the customize Jewellery for individual needs.

#### **5. Project Development and Land Development**

In addition to our existing business of real estate trading and broking. We are planning to venture into real estate development business in Mumbai and Ahmedabad. We are looking for a suitable site for our first real estate project. The development may either be on our own or on the joint development basis.

### **Our Major Products**

## **Gems & Jewellery**

We sell diamonds of multiple categories, different shape, size, cut and fancy colour. Our Company offer various products such as Chains, Bangles, Necklace, Pendants, Bracelet, Earrings and other jewellery studded with pearls and precious stones. We trade in multiple jewellery products to cater to the needs of our clients.

### **Process:**

We purchase our required diamonds and gold jewellery from various wholesalers. We observe requisite standards in grading and cut evaluation and select only the best goods for our business. We only deal in natural diamonds that are free from any treatment or enhancement. We procure all our diamonds from legitimate sources which are not involved in funding conflicts. We guarantee that the diamonds are conflict free, based on personal knowledge and / or written guarantees by suppliers. Our team monitors every stage from procurement to sales to ensure that the diamonds are procured from reliable and certified sources. Generally procurement of diamonds involve the following considerations:

1. Identify the diamond shape desired by the customer.
2. Verification of GIA or other Diamond certificate.
3. Set a carat weight minimum based on the customer's preferences.
4. The cut of the diamond refers to how the stone was shaped to direct the light back to your eyes, creating a brilliant sparkle. It is the most important factor in deciding how dazzling diamond will be. If a diamond is cut too shallow or too deep, light will be lost out of the bottom or the sides of the diamond, making the stone sparkle less.

### **Real Estate:**

We deal in residential as well as commercial properties including flats, shops etc. We are also engaged in real estate broking.

### **Process:**

As a real estate traders we intend to buy properties or acquire interest in properties with the intention of holding them for a short period and sell them for a profit. These properties are either significantly undervalued or are in a very prime area.

We don't put any money into a property for improvements; the investment has to have the intrinsic value to turn profitable without alteration. We typically purchase flat, shop etc from the builders for which we first pay the token amount and are issued an allotment letter by the builders in our favor acknowledging the receipt of the token amount and requesting us to make the full payment towards the property as per the terms of the allotment letter. We start making payments as per the schedule. Then we initiate the process for finding a buyer. Once the property is sold to a third party at a price higher than the price originally paid by us, we get a refund from the builder of the entire amount paid by us along with the profit made on the property. Subsequently, we along with the builders sign a "cancellation letter" which acknowledges the refund by the builder of the amount paid towards the property and we release our rights towards the said property.

### **Plant and Machinery**

Since we are engaged in trading activity, we do not own any plant and machinery. However we have single lens marker and 2 lens mega scope machine for analysis of diamonds.

## **DESCRIPTION OF OUR BUSINESS**

We are mainly engaged in the wholesale supply and trading of precious stones, primarily cut and polished diamonds. We also deal in gold jewellery. We also sell our products to our clients domestically. We deal in variety of diamonds which include both rough and polished diamonds. We are also engaged in gold jewellery business. We primarily sell gold

jewellery i.e. Chains, Bangles, Necklace, Pendants, Bracelet, Earrings and other jewellery studded or non-studded with pearls, diamonds and other precious stones.

We are also engaged in investment in real estate properties in Mumbai for the purpose of selling them for trading gains. In our real estate business we are focused on Maharashtra and Gujarat. We invest in both residential and commercial properties based on our own study of the market. We are also involved in real estate broking.

### **Collaborations**

We have not entered into any technical or other collaboration.

### **Infrastructure Facilities**

### **Materials**

We buy all the required gems and jewellery from Mumbai local market. We also procure gold and precious stones from local markets. We are located in jewellery hub of Mumbai which give us an added advantage in terms of procurement.

### **Utilities**

The main utilities required in trading activity are:

### **Power**

There is no major power requirement in our business.

### **Manpower**

Our Company is committed towards creating an organization that nurtures talent. We provide our employees an open atmosphere with a continuous learning platform that recognizes meritorious performance.

The following is a department-wise break-up of our employees as on April 10, 2019:

<b>Sr. No.</b>	<b>Category</b>	<b>Total</b>
1	Management	4
2	Others	4
	<b>Total</b>	<b>8</b>

### **Competition**

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

The real estate industry in India, including Mumbai, while fragmented, is highly competitive. We expect to face increased competition from large national as well as local real estate companies. We compete for the sale of our properties. We believe that we are able to distinguish ourselves from our competitors on the basis of our market research and selection of most suitable property.

### **Approach to Marketing and Marketing Set-up**

Our top management and key executives enjoy the confidence of several corporate and retail clients and we currently market only to a selected setup of clients. We interact with our customers to get the feedback on the quality of products and services and improve the same as well. The marketing team regularly stays in touch with our customers. They also regularly approach new customers to try and develop a business relationship.

We market our properties through our internal team, and through external brokers and consultants. We maintain a database consisting of our existing customers, referrals and leads we have generated through sources.

### Capacity and Capacity Utilization

Our Company operates in a trading industry and hence capacity and capacity utilization is not applicable to us.

### Export Possibilities & Export Obligation

Currently, we do not have any outstanding export obligations.

### Property

The following table sets forth the location and other details of the owned properties of our Company:

Sr. No	Description of Property	Name of Seller	Agreement Date	Amount	Purpose
1.	C-309, C wing, Jaswanti Allied Business Centre, Ramchandra Lane Extn., Malad West, Mumbai – 400064, India admeasuring about 23.23 sq. meter	Sauramma Raghu Shetty	Agreement for Sale / Transfer dated July 17, 2018	₹ 51.50 Lakhs + stamp duty and registration charges	Stock in Trade for our real estate business

The following table sets forth the location and other details of the leasehold properties of our Company:

Sr. No	Description of Property	Name of Lessor	Agreement Date, Lease period	Amount	Purpose
1.	811, A Wing, Jaswanti Allied Business Centre, Ramchandra Lane Extn., Malad West, Mumbai – 400064, India	Prashant A. Vora and Seemaben P. Vora	36 months w.e.f. August 1, 2017	Interest free Security Deposit of Rs. 2.00 Lakhs and Rent of Rs. 30,000 per month	Registered Office
2.	812, A Wing, Jaswanti Allied Business Centre, Ramchandra Lane Extn., Malad West, Mumbai – 400064, India	Prashant A. Vora, Seemaben P. Vora and Amit Kumar A. Vora	36 months w.e.f. August 1, 2017	Interest free Security Deposit of Rs. 2.00 Lakhs and Rent of Rs. 30,000 per month	Office

### Intellectual Property

Our Company do not own any intellectual property including trade mark.

## KEY INDUSTRIAL REGULATIONS AND POLICIES IN INDIA

*The following description is a summary of certain sector-specific laws currently in force in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The description below may not be exhaustive, and is only intended to provide general information to investors, and is neither designed as, nor intended to substitute, professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial or administrative decisions. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain.*

*The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For information on regulatory approvals obtained by us, please refer “Government and Other Approvals” on page 120. We are required to obtain and regularly renew certain licenses / registrations / sanctions / permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye laws, acts and policies. Additionally, the projects undertaken by us require, at various stages, the sanction of the concerned authorities under the relevant central and state legislations and local byelaws.*

*Following is an overview of some of the important laws and regulations, which are relevant to our business.*

### **INDUSTRY-SPECIFIC REGULATIONS**

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

There are no specific laws in India governing the gems and jewellery industry in India.

#### ***Real Estate Industry:***

##### ***The Real Estate (Regulation and Development) Act, 2016***

The Real Estate (Regulation and Development) Act, 2016 is expedient to establish the Real Estate Regulatory Authority for regulation and promotion of the real estate sector and to ensure sale of real estate project, in an efficient and transparent manner and to protect the interest of consumers in the real estate sector. Every project where the area of the land propose to be developed exceeds 500 meters as the number of apartment proposes to be developed or number of apartment exceeds 8, such project shall be compulsory required to be registered by the promoter with the Real Estate Regulator Authority (RERA). Any person aggrieved by any direction or decision made by the Regulatory Authority or by an adjudicating officer, may make an appeal before the Appellate Tribunal within a period of 60 days from the date of receipt of a copy of the order or direction.

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

The Indian Contract Act, 1872 provides for seeking data protection under contract law and common law, by incorporating confidentiality and data protection clauses in contracts. According to this Act, when a party commits a breach of contract, the other party is entitled to receive compensation for any loss or damage caused to it. Specific performance of the contract is also a remedy under the Act. Thus companies acting as 'data importers' may enter into contracts with 'data exporters' to adhere to a high standard of data protection.

##### ***The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013***

The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (“Land Acquisition Act, 2013”) has replaced the Land Acquisition Act, 1894 and aims at establishing a participative, informed and transparent process for land acquisition for industrialization, development of essential infrastructural



facilities and urbanization. While aiming to cause least disturbance to land owners and other affected families, it contains provisions aimed at ensuring just and fair compensation to the affected families whose land has been acquired or is proposed to be acquired. It provides for rehabilitation and resettlement of such affected persons. The Land Acquisition Act, 2013 has recently been amended by the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Amendment) Ordinance, 2014 (the “Ordinance 2014”). Under the Ordinance 2014, land acquired for certain projects is exempted from the applicability of certain sections of the Land Acquisition Act, 2013 relating to determination of social impact and public purpose and safeguarding of food security. The exempted projects are those in the area of (i) national security or defence of India; (ii) rural infrastructure including electrification; (iii) industrial corridors and building social infrastructure including public private partnership where ownership of land continues to be vested with the government; (iv) affordable housing and housing for poor people and (v) industrial corridors. Further, in case of acquisition of land under the 1894 Act where an award has been made five years or more prior to the commencement of the Land Acquisition Act, 2013 and physical possession of the land has not been taken or compensation has not been made, the proceedings will be deemed to have lapsed and the government may start fresh proceedings under the Land Acquisition Act, 2013.

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

The Specific Relief Act is complimentary to the provisions of the Contract Act and the T.P. 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.

#### ***National Building Code of India, 2005***

The National Building Code of India (NBC), a comprehensive building Code, is a national instrument providing guidelines for regulating the building construction activities across the country. It serves as a Model Code for adoption by all agencies involved in building construction works, including the Public Works Departments, other government construction departments, local bodies or private companies in the field of construction. The Code mainly contains administrative regulations, development control rules and general building requirements; fire safety requirements; stipulations regarding materials, structural design and construction (including safety); and building and plumbing services.

#### **Certain laws and regulations that may be applicable to our Company include the following:**

- Child Labour (Prohibition and Abolition) Act, 1986
- Minimum Wages Act, 1948
- The Employees Pension Scheme, 1995
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief History of our Company

Our Company was originally incorporated as a public limited company under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, dated July 27, 2017 with the name ‘Parshva Enterprises Limited’. Our corporate identification number is U51909MH2017PLC297910.

### Changes in our Registered Office:

As on the date of this Draft Prospectus, our Registered Office is located at 811, A Wing, Jaswanti Allied Business Centre, Ramchandra Lane Extn., Malad West, Mumbai – 400064, India. There have been no changes in the address of the registered office of our Company since incorporation.

### Major events of our Company

Some of the key events in the history of our Company are set forth below:

Financial Year	Event
2018	Incorporated under Companies Act, 2013 as “Parshva Enterprises Limited”
2018	Achieved turnover of Rs. 476.29 Lakhs in the first year.
2019	Ventured into real estate business

### Significant financial and strategic partners

As on the date of this Draft Red Herring Prospectus, our Company does not have any significant financial or strategic partners.

### Time and cost overrun

Our Company has not experienced any significant time and cost overrun since we are in trading business.

### Launch of Key Products or services

We have entered into the business of real estate trading and broking during FY 2019.

### Defaults or rescheduling of borrowings with financial institutions/ banks and conversion of loans into equity

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

### Material Acquisitions or Divestments of Business/Undertakings, Mergers, Amalgamations or Revaluation of Assets, in the last ten years

Our Company has not undertaken any material acquisitions or divestments of business/undertakings, mergers, amalgamations or revaluation of assets in the last ten years

### Main Objects of our Company:

The main objects of our Company, as contained in our Memorandum of Association, are as set forth below:

i. To commence, establish, set up, carry on, conduct, manage and administer business of buying, selling, importing, exporting, distributing, refining, assorting, cleaning, polishing, preparing, kerfing, cleaving, sawing, chiseling, clifiting, acquiring, disposing off, supplying, ordering, regulation, controlling, classifying, allocating, trading and dealing in cur and/or uncut, coarse and/or polished gems and diamonds including industrial diamonds and boart whether rough coarse or polished, precious and semi precious and synthetic stones, including un-cut pearls, whether real or cultured, rubies, emeralds, sapphires, corals, all kind of precious and semi-precious metals including gold, silver, platinum and to bullion form also jewellery and ornaments of all kinds including of metal and/or precious, semi precious and synthetic stones.

ii. To carry on the business of constructions, estate brokers, agents and dealers in lands, flats, marionettes, dwelling house, shops, offices, industrial estates, lessees of lands, flats and other immovable properties and for these purposes to acquire purchase, take on lease or otherwise acquire and hold any lands or building of any tenure or description wherever situated, or rights or interests therein or connected therewith, to prepare buildings sites, and to construct, reconstruct, pull down, renovate, develop, alter, improve, decorate and furnish and maintain flats, marionettes, dwelling, industrial estates, godown works and conveniences, and sell the same on ownership basis, installment basis or lease basis and rental basis and transfer such buildings to cooperative societies, or associations of persons or individual as the case may be, to lay out roads and pleasure gardens and recreation grounds, plants, drains or otherwise improve the land or any part thereof.

iii. To generate, acquire by purchase, hold, stock, lease or dispose off, any kind of rights relating to real estate and includes Transferable Development Rights, easements etc, as proprietors and to provide assistance, consultancy, support or allied services in relation to generating, acquiring/purchasing, leasing or disposing off/selling any kind of rights relating to real estate and includes Transferable Development Rights, etc as commission agents or otherwise.

The main object as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out as well as to carry on the activities for which the funds are being raised in the Issue.

#### **Amendments to the Memorandum of Association**

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

<b>Date of Shareholders' Resolution</b>	<b>Nature of Amendment</b>
October 6, 2017	Clause 5 of the Memorandum of Association was amended to reflect the increase in the authorized share capital of our Company from ₹50,00,000 consisting of 5,00,000 Equity shares of ₹10.00 each to ₹1,00,00,000 consisting of 10,00,000equity shares of ₹10.00 each.
November 15, 2017	Clause 5 of the Memorandum of Association was amended to reflect the increase in the authorized share capital of our Company from ₹1,00,00,000 consisting of 10,00,000equity shares of ₹10.00 each to ₹2,00,00,000 consisting of 20,00,000 equity shares of ₹10.00 each.
July 10, 2018	Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital of our Company from ₹2,00,00,000 consisting of 20,00,000 equity shares of ₹10.00 each to ₹4,00,00,000 consisting of 40,00,000 Equity Shares of ₹10.00 each.

#### **Holding Company of our Company**

As of the date of the Draft Prospectus, our Company is not a subsidiary of any Company

**Subsidiary of our Company**

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

**Collaboration Agreements**

As on the date of the Draft Prospectus, our Company is not a party to any collaboration agreements

**Shareholders' Agreements**

As on the date of the Draft Prospectus, our Company has not entered into any shareholders' agreements

**Material Agreements**

As on the date of the Draft Prospectus, our Company has not entered into any shareholders' agreements

**Number of Shareholders**

Our Company has eight (8) shareholders on date of the Draft Prospectus.

## OUR MANAGEMENT

### Board of Directors

Under our Articles of Association, we are required to have not less than 3 (three) directors and not more than 15 (fifteen) directors, subject to the applicable provisions of the Companies Act, 2013. We currently have 5 (five) Directors on our Board.

Set forth below are details regarding our Board as on the date of this Draft Prospectus:

Name, Designation, Occupation, Term, DIN and Nationality	Date of last appointment / re-appointment and term	Other Directorships
<p><b>Name: Prashant A. Vora</b></p> <p><b>Father’s Name:</b> Avantilal M. Vora</p> <p><b>Date of Birth:</b> April 19, 1970</p> <p><b>Age:</b> 49 years</p> <p><b>Designation:</b> Managing Director</p> <p><b>Address:</b> 5 / D, Rajratan Palace - II Shanker Lane, Kandivali (W) Mumbai – 400067, Maharashtra, India</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 06574912</p> <p><b>Nationality:</b> Indian</p>	<p>Initially appointed on July 27, 2017</p> <p>Appointed as Managing Director for a period of 5 years w.e.f. April 1, 2019</p>	<p><i>Companies</i></p> <ul style="list-style-type: none"> <li>• <i>Virti Enterprises Private Limited</i></li> </ul> <p><i>LLP</i></p> <ul style="list-style-type: none"> <li>• Vora Securities LLP</li> </ul>
<p><b>Name: Harsh P. Vora</b></p> <p><b>Father’s Name:</b> Prashant A. Vora</p> <p><b>Date of Birth:</b> April 22, 1999</p> <p><b>Age:</b> 19 years</p> <p><b>Designation:</b> Non Executive Director</p> <p><b>Address:</b> 5 / D, Rajratan Palace - II Shanker Lane, Kandivali (W) Mumbai – 400067, Maharashtra, India</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 07861487</p> <p><b>Nationality:</b> Indian</p>	<p>Initially appointed on July 27, 2017</p> <p>Re-designated as Non-Executive Director w.e.f. April 1, 2019</p>	<p><i>Companies</i></p> <ul style="list-style-type: none"> <li>• <i>Virti Enterprises Private Limited</i></li> </ul>
<p><b>Name: Nirav B. Shah</b></p> <p><b>Father’s Name:</b> Bipin M. Shah</p> <p><b>Date of Birth:</b> September 10, 1977</p> <p><b>Age:</b> 41 years</p>	<p>Appointed for a period of five years with effect from April 1, 2019. Appointment was regularised vide EGM dated April 4, 2019.</p>	<p><i>Companies</i></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul> <p><i>LLP</i></p> <ul style="list-style-type: none"> <li>• Lidco Building Technologies LLP</li> </ul>

<p><b>Designation:</b> Non Executive and Independent Director</p> <p><b>Address:</b> 403/404, Glassview, Pestom Sagar, Road No. 3, Behind Shah Petrol Pump, GM Road, Chembur, Mumbai – 400089, Maharashtra, India</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 03501151</p> <p><b>Nationality:</b> Indian</p>		
<p><b>Name:</b> Mamta S. Patel</p> <p><b>Father's Name:</b> Shailesh M. Patel</p> <p><b>Date of Birth:</b> August 15, 1996</p> <p><b>Age:</b> 22 years</p> <p><b>Designation:</b> Non Executive and Independent Director</p> <p><b>Address:</b> Room No. 8, Kalidas, SVP Road, Opp. Girivar Apartment, Kandivali West, Mumbai – 400067, Maharashtra, India</p> <p><b>Occupation:</b> Service</p> <p><b>DIN:</b> 08419890</p> <p><b>Nationality:</b> Indian</p>	<p>Appointed for a period of five years with effect from April 12, 2019</p>	<p><i>Companies</i></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul>

#### Relationship between our Directors and our Directors and Key Managerial Personnel

Except as disclosed below, none of our Directors are related to each other or to any of the Key Managerial Personnel:

Sr. No.	Name of the Director	Related To	Nature of Relationship
1.	Prashant A. Vora	Harsh P. Vora	Father
2.	Harsh P. Vora	Prashant A. Vora	Son

#### Brief Profile of our Directors

**Prashant A. Vora**, aged 49 years, is a Promoter and Managing Director of our Company. He has been associated with our Company since incorporation and has been designated as Managing Director w.e.f. April 1, 2019. He is an under graduate. He has experience of over 10 years in trading and distribution business, equity investments and real estate and over 2 years of experience in gems and jewellery business. He is instrumental in our Company entering into the business of diamond trading, gold jewellery and precious metals. He is entrusted with the responsibility of looking after the overall management and operations, planning and implementation of the strategies of our Company. He looks after the overall administration of the business. He has been on our Board since incorporation.

**Harsh P. Vora**, aged 19 years, is a Non-Executive Director of our Company. He is a second generation entrepreneur. He joined our Company since incorporation. He assists our Managing Director in the gems and jewellery business. He is also pursuing is B.Com course. He has experience of over a year in gems and jewellery sector.

**Nirav B. Shah**, aged 41 years, is an Independent Director of our Company. He has completed his BE (Civil) from Bhavnagar University. He is also an MBA from All Institute of Engineering & Management, Mumbai (AIEM). He has experience of over 20 years in the field of civil construction, project management and execution. He has been on our Board of Directors since April 1, 2019.

**Mamta S. Patel**, aged 22 years, is an Independent Director of our Company. She has completed her B.Com from University of Mumbai. She has experience of about 1 year in the field of accounting. She has been on our Board of Directors since April 12, 2019.

**Further Confirmations:**

- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director.
- There is no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- None of the Directors is categorized or are on the RBI List of wilful defaulters.
- None of our Directors are declared Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.
- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Prospectus, whose shares have been or were suspended from being traded on the Stock Exchange(s), during the term of their directorship in such company.
- None of the Promoters, Persons forming part of our Promoter Group, 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.
- No proceedings/ investigations have been initiated by SEBI against any company, the board of directors of which also comprises any of the Directors of our Company. No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms of companies in which they are interested 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 or company in which he is interested, in connection with the promotion or formation of our Company.

**Terms of Appointment of the Managing Directors**

**Prashant A. Vora** has been appointed as the Managing Director of our Company with effect from April 1, 2019 *vide* Shareholders resolution dated April 4, 2019 for a period of 5 years. The significant terms of his employment are as under:

<b>Salary</b>	₹24,00,000 per annum and on such terms and conditions as may be fixed by the board of directors with liberty to alter and vary the terms and conditions of the said appointment / reappointment and /or remuneration as it may deem fit.
<b>Term</b>	Appointed as Managing Director for the period of 5 years w.e.f. April 1, 2019.

**Remuneration to Executive Directors**

No remuneration was paid to the Executive Directors in Financial Year 2019.

**Remuneration details of our Non-Executive and Independent Directors**

No remuneration or sitting fees is payable to our Non Executive and Independent Directors.

**Bonus or Profit Sharing Plan of the Directors**

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

### Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold qualification shares. As on date of the Draft Prospectus, our Directors hold the following number of Equity Shares of our Company:

Name of Director	Number of Equity Shares Held (Pre-Issue)	%of pre-Issue paid-up equity share capital
Prashant A. Vora	13,19,980	60.00%
Harsh P. Vora	30,000	1.36%

### Interest of Directors

- Our Non-Executive Non-Independent Directors and Independent Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board and Committees thereof and reimbursement of expenses available to them and commission payable to them as approved by our Board. All our Executive Directors may be deemed to be interested to the extent of other remuneration and reimbursement of expenses payable to them.
- Prashant A. Vora is also the Promoters of our Company, and may accordingly be deemed to be interested in the promotion or formation of our Company. Our Directors may also be regarded as interested in the Equity Shares held by them, if any (together with dividends and any other distributions in respect of such Equity Shares).
- None of our Directors have any interest in any property acquired or proposed to be acquired of our Company or by our Company in the preceding three years. Our Company has taken its registered office and other office on rent from Prashant A. Vora and Seemaben P. Vora, Amit Kumar A. Vora at a monthly rent of ₹ 30,000 each.
- Further, none of our Directors have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.
- No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which any of our Directors are interested, by any person, either to induce him to become, or to qualify him as, as a Director, or otherwise for services rendered by our Directors or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.
- Except as disclosed in “*Financial Statements*” beginning on page 93 and as disclosed in this section, none of our Directors have any interest in our business.
- Further, except as disclosed in “*Financial Statements*” beginning on page 93, no loans have been availed by our Directors from our Company.

### Changes in our Board during the Last Three Years

Except as disclosed below, there have been no changes in our Board during the last three years:

Name of Director	Date of appointment	Date of cessation	Reason
Prashant A. Vora	April 1, 2019		Reappointed as Managing Director
Harsh P. Vora	April 1, 2019		Re-designated as Non-Executive Director
Seemaben P. Vora	July 27, 2017	April 2, 2019	Resignation
Nirav B. Shah	April 1, 2019		Appointed as Non Executive and Independent Director to broad base the board
Mamta S. Patel	April 12, 2019		Appointed as Non Executive and Independent Director to broad base the board



## Borrowing Powers of our Board

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Pursuant to a resolution passed by our shareholders at their extra-ordinary general meeting held on April 4, 2019 our shareholders have authorized our Board to borrow any sum of money from time to time notwithstanding that the sum or sums so borrowed together with the monies, if any, already borrowed by the company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) exceed the paid up capital and free reserves of the Company provided such amount does not exceed ₹2,00,00,00,000/- (Rupees Two Hundred Crores Only) in excess of its paid up capital and free reserves which may have not been set apart for any purpose.

## Corporate Governance

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and other applicable regulations of the SEBI, in respect of corporate governance including in respect of the constitution of the Board and committees thereof, and formulation and adoption of policies. Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations.

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealing with our shareholders, emphasis on communication and transparent reporting. Our Board has been constituted in compliance with the Companies Act and SEBI (LODR) Regulations, to the extent applicable. Our Board functions either as a full board or through various committees constituted to oversee specific functions. In compliance with the requirements of the Companies Act and the SEBI (LODR) Regulations, to the extent applicable our Board of Directors consists of five Directors (including one woman Directors) of which four are Independent Directors which is in compliance with the requirements of Regulation 17 of SEBI (LODR) Regulations.

## Committees of our Board

Our Board has constituted the following committees including those for compliance with corporate governance requirements:

### 1. *Audit Committee*

Our Audit Committee was constituted pursuant to a resolution of our Board of Directors dated April 12, 2019. Our Audit Committee currently comprises:

Name of Director	Status in Committee	Nature of Directorship
Nirav B. Shah	Chairman	Non-Executive and Independent
Harsh P. Vora	Member	Non-Executive and Non-Independent
Mamta S. Patel	Member	Non-Executive and Independent

The Company Secretary of the Company shall act as the Secretary of the Audit Committee.

Set forth below are the scope, functions and the terms of reference of our Audit Committee, in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations.

### A. *Powers of Audit Committee*

The Audit Committee shall have powers, including the following:

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

### B. *Role of Audit Committee*

The role of the Audit Committee shall include the following:

- (a) Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of our Company;
- (c) Reviewing and monitoring the auditor's independence and performance and the effectiveness of audit process;
- (d) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (e) Reviewing the financial statements with respect to its unlisted Subsidiary(ies), in particular investments made by such Subsidiary(ies);
- (f) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - o 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;
  - o Changes, if any, in accounting policies and practices and reasons for the same;
  - o accounting entries involving estimates based on the exercise of judgment by management;
  - o Significant adjustments made in the financial statements arising out of audit findings;
  - o Compliance with listing and other legal requirements relating to financial statements;
  - o Disclosure of any related party transactions; and
  - o Modified opinion(s) in the draft audit report.
- (g) Reviewing, the quarterly financial statements with the management before submission to the Board for approval;
- (h) 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (i) Approval or any subsequent modification of transactions of our Company with related parties;
- (j) Scrutiny of inter-corporate loans and investments;
- (k) Valuation of undertakings or assets of our Company, wherever it is necessary;
- (l) Evaluation of internal financial controls and risk management systems;
- (m) Monitoring the end use of funds raised through public offers and related matters;
- (n) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (o) 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;
- (p) Discussion with internal auditors of any significant findings and follow up thereon;
- (q) 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;
- (r) Discussion with statutory auditors before the commencement of the audit, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (s) 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;
- (t) To establish and review the functioning of the whistle blower mechanism;
- (u) Establishing and overseeing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- (v) Approval of appointment of the chief financial officer (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (w) Carrying out any other terms of reference as may be decided by the Board or specified/ provided under the Companies Act, 2013 or the SEBI Listing Regulations or by any other regulatory authority; and
- (x) Review of (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; (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; (6) statement of deviations including (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

As required under Regulation 18 of the SEBI (LODR) Regulations, the Audit Committee shall meet at least four times in a year, and not more than four months shall elapse between two meetings. The quorum shall be two members present, or one-third of the members, whichever is greater, provided that there should be a minimum of two independent members present.

## 2. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted pursuant to resolution of our Board of Directors dated April 12, 2019. The Stakeholders' Relationship Committee comprises:

Name of Director	Status in Committee	Nature of Directorship
Nirav B. Shah	Chairman	Non-Executive and Independent
Mamta S. Patel	Member	Non-Executive and Independent
Prashant A. Vora	Member	Managing Director

The Company Secretary of the Company shall act as the Secretary of the Stakeholders' Relationship Committee.

Set forth below are the terms of reference of our Stakeholders' Relationship Committee.

- consider and resolve the grievance of security holders of the Company;
- such other functions / activities as may be assigned / delegated from time to time by the Board of Directors of the Company and/or pursuant to the provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable from time to time to the Company.

## 3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee first constituted pursuant to a resolution of our Board of Directors dated April 12, 2019 and currently comprise:

Name of Director	Status in Committee	Nature of Directorship
Mamta S. Patel	Chairman	Non-Executive and Independent
Nirav B. Shah	Member	Non-Executive and Independent
Harsh P. Vora	Member	Non-Executive and Non-Independent

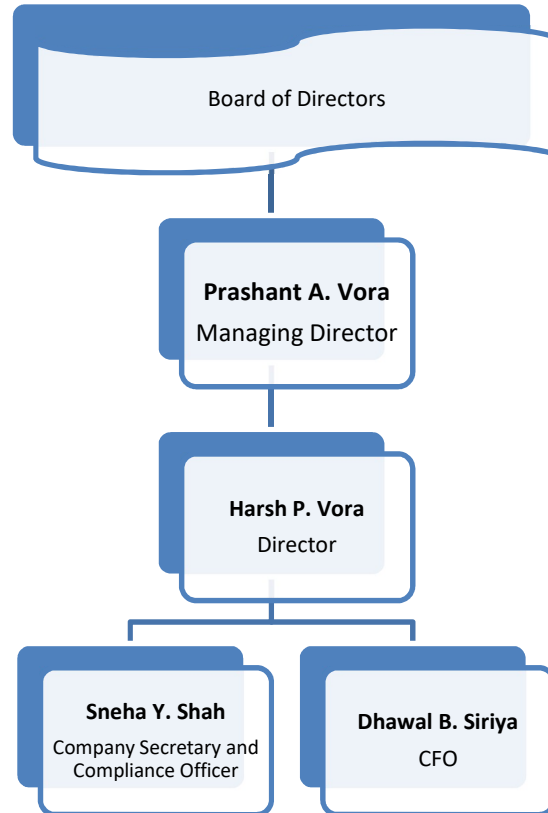
The Company Secretary of the Company shall act as the Secretary of the Nomination and Remuneration Committee.

The scope, functions and the terms of reference of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI (LODR) Regulations. Set forth below are the terms of reference of our Nomination and Remuneration Committee.

- identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- while formulating the policy under (b) above, ensure that
  - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- such other functions / activities as may be assigned / delegated from time to time by the Board of Directors of the Company and/or pursuant to the provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and the Securities and Exchange Board of India (Listing

Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable from time to time to the Company.

## ORGANIZATION STRUCTURE



## OUR KEY MANAGERIAL PERSONNEL

Set forth below are the details of our key managerial personnel in addition to our Managing Director and Director as on the date of the Draft Prospectus. For details of our Managing Director and other Directors refer “*Our Management*” on page 77.

**Dhawal B. Siriya**, aged 32 years, is the Chief Financial Officer of our Company. He holds a Bachelor’s degree in Commerce from University of Mumbai. He has experience of about 7 years in field of financial consulting. Prior to joining our Company he was having his own proprietary business of financial consulting. His responsibilities include to maintain the requirement of applicable Accounting and Auditing Standards of our Company, assisting the Company in implementing the best corporate governance practices, etc. He has been appointed as Chief Financial Officer (CFO) of our Company with effect from April 1, 2019. In the Fiscal 2019 he did not received remuneration.

**Sneha Y. Shah**, aged 29 years, is the Company Secretary and Compliance Officer of our Company. She is a qualified Company Secretary and an associate member of the Institute of Company Secretaries of India. She holds a Bachelor’s Degree in Commerce and Bachelor of Laws from University of Mumbai. She has experience of over 5 years in the field of secretarial work and corporate law compliances. She has been associated with our Company since April 1, 2019. She is currently responsible for the secretarial and legal compliances and matters related thereto of our Company. In the Fiscal 2019 she did not received any remuneration.

### Shareholding of KMP

Other than our Directors, none of our Key Management Personnel hold any Equity Shares in our Company.

### Status of Key Managerial Personnel

All our key managerial personnel are permanent employees of our Company.

### **Nature of family relationship**

None of our Key Management Personnel are related to each other.

### **Arrangements and Understanding with Major Shareholders**

None of our key managerial personnel or Directors has been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others. For more information, refer “*History and Certain Other Corporate Matters*” on page 74.

### **Bonus or Profit Sharing Plan for our Key Managerial Personnel**

As on the date of this Draft Prospectus our Company does not have any performance linked bonus or profit sharing plan with any of our key managerial personnel.

### **Loans to Key Managerial Personnel**

There is no loan outstanding against key managerial personnel as on date of this Draft Prospectus.

### **Interest of Key Managerial Personnel**

Except as disclosed in “*Interest of Directors*” on page 80 in respect of Prashant A. Vora and other Directors, no other Key Managerial Personnel of our Company has any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. There is no contingent or deferred compensation accrued for the year payable to the Key Managerial Personnel, even if the compensation is payable at a later date.

Further, the Key Managerial Personnel may be regarded as interested in the Equity Shares held by them, if any, (together with dividends and any other distributions in respect of such Equity Shares).

Except as disclosed in “*Financial Statements*” beginning on page 93, no loans have been availed by our Key Managerial Personnel from our Company.

### **Employees Stock Option Scheme**

Our Company does not have any Employee Stock Option Scheme/ Employee Stock Purchase Scheme as on the date of filing of this Draft Prospectus.

### **Payment or Benefit to officers of our Company**

Except as disclosed in this Draft Prospectus, no amount or benefit has been paid or given or is intended to be paid or given to any of our Company’s employees including the Key Management Personnel within the two years preceding the date of filing of this Draft Prospectus, except for the payment of remuneration or commission for services rendered as an officer of our Company.

### **Changes in our Company’s Key Managerial Personnel during the last three years.**


The changes in other Key Management Personnel in the last three years are as follows:

<b>Name</b>	<b>Date</b>	<b>Reason</b>
Dhawal B. Siriya	April 1, 2019	Appointment as Chief Financial Officer
Sneha Y. Shah	April 1, 2019	Appointment as Company Secretary and Compliance Officer

## OUR PROMOTER AND PROMOTER GROUP

Prashant A. Vora is the Promoter of our Company. He currently holds 13,19,980 Equity Shares equivalent to 60.00% of the pre-issue, issued, subscribed and paid-up Equity Share Capital of our Company.

### Details of our Promoter:

	<p><b>Prashant A. Vora</b>, aged 49 years, is a Promoter and Managing Director of our Company. He has been associated with our Company since incorporation and has been designated as Managing Director w.e.f. April 1, 2019. He is an under graduate. He has experience of over 10 years in trading and distribution business, equity investments and real estate and over 2 years of experience in gems and jewellery business. He is instrumental in our Company entering into the business of diamond trading, gold jewellery and precious metals. He is entrusted with the responsibility of looking after the overall management and operations, planning and implementation of the strategies of our Company. He looks after the overall administration of the business. He has been on our Board since incorporation.</p> <p>For a complete profile of Prashant A. Vora, including his terms of appointment as the Managing Director and other directorships, please refer “<i>Our Management</i>” on page 77.</p> <p><b>Passport No:</b> Z4753638  <b>Driving License:</b> MH02 20063043894  <b>Voters ID:</b> AVE2984243  <b>Aadhar Card No. :</b> 569098462960  <b>Address:</b> 5 / D, Rajratan Palace - II Shanker Lane, Kandivali (W) Mumbai – 400067, Maharashtra, India.</p>
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**DECLARATION:** We confirm that the PAN, bank account number and passport number of our Promoter will be submitted to BSE Limited on whose SME Platform the Equity Shares are proposed to be listed at the time of filing this Draft Prospectus.

### Interest of our Promoter

Our Promoter is interested in our Company to the extent (i) that he has promoted our Company; (ii) of his shareholding and the shareholding of his relatives in our Company and the dividend payable, if any and other distributions in respect of the Equity Shares held by him or his relatives; (iii) of being Managing Director and Key Management Personnel of our Company and the remuneration, sitting fees and reimbursement of expenses payable by our Company to him; (iv) that he has mortgaged his personal properties and provided personal guarantees for the loans availed by our Company; (v) of being a subscriber to the Memorandum of Association of our Company; (vi) of his relatives having been appointed to places of profit in our Company; and (vii) that our Company has undertaken transactions with him, or his relatives or entities in which our Promoter hold shares. For details regarding the shareholding of our Promoter in our Company, please refer “*Capital Structure*”, “*Our Management*” and “*Related Party Transactions*” on pages 41, 77 and 109, respectively.

Our Promoter do not have any interest in any property acquired by our Company within two years of the date of this Draft Prospectus or proposed to be acquired by it or in any transaction in acquisition of land and construction of building etc. Further, our Promoter do not have any interest in any supply of machinery to our Company. However, Our Company has taken its registered office and other office on rent from Prashant A. Vora and Seemaben P. Vora, Amit Kumar A. Vora at a monthly rent of ₹ 30,000 each.

Other than as disclosed in the section “*Related Party Transaction as Restated*” on page 109, there are no sales/purchases between our Company and our Promoter and Promoter Group and Group Companies where such sales or purchases exceeding in value in the aggregate 10% of the total sales or purchases of our Company or any business interest between our Company, our Promoter, our Promoter Group and Group Entities as on the date of the last audited financial statements.

Our Promoters may also be deemed to be interested in our Company to the extent of the personal guarantees given by them for the loans availed by our Company. For further details, please see the chapter titled “*Financial Indebtedness*”

beginning on page 116 of this Draft Prospectus.

Our Promoters are not members of any firm or company having any interest in the Company for which any sums are paid or agreed to be paid to either of our Promoters or to the firm or company in cash or shares or otherwise by any person either to induce our Promoters to become, or to qualify our Promoters as, a director, or otherwise for services rendered by our Promoters or by the firm or company, in connection with the promotion or formation of the Company.

Our Promoters are not interested in any transaction in acquisition of land, construction of building and supply of machinery etc. by or to our Company. Our Company has taken its registered office and other office on rent from Prashant A. Vora and Seemaben P. Vora, Amit Kumar A. Vora at a monthly rent of ₹ 30,000 each.

### **Group Entities**

For details of our group entities, refer “*Our Group Entities*” on page 89.

### **Payment or Benefit to Promoters**

Except as stated above in “*Interest of our Promoters*” and in “*Related Party Transaction*” on pages 86 and 109, respectively, there has been no payment of benefits to our Promoters, members of our Promoter Group and Group Entities, during the two years preceding the filing of this Draft Prospectus.

### **Material Guarantees**

Our Promoters have not given any material guarantees to any third parties with respect to the Equity Shares, as on the date of this Draft Prospectus.

### **Common Pursuits**

There are no common pursuits common pursuits between our Company and other entities of the Group.

### **Litigation**

For details relating to legal proceedings involving our Promoters, refer “*Outstanding Litigation and Material Developments*” on page 117.

### **Other Confirmations**

Our Promoters and their relatives have not been declared as Wilful Defaulters and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

None of our Promoters are Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of the Promoters, Promoter Group entities or Group Companies have been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters and members of the Promoter Group are not and have never been promoters, directors or person in control of any other company which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Offer against our Promoters, except as disclosed under the chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 117 of this Draft Prospectus.

Except as disclosed in “*Related Party Transactions*” on page 109, our Promoters are not related to any of the sundry debtors or beneficiaries of loans and advances of our Company.

Our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company.

**Companies with which our Promoter have disassociated in the last three years**

Our Promoter have not disassociated from any Company in three years preceding the date of this Draft Prospectus:

**Change in Management and control of our Company**

There was no change in management of our Company during the 5 (five) years immediately preceding the date of filing of this Draft Prospectus.

**OUR PROMOTER GROUP**

Our Promoter Group as defined under Regulations 2(1)(pp) of the SEBI ICDR Regulations includes the following individuals and body corporates:

**A. Natural Persons forming part of Promoter Group:**

<b>Relationship</b>	<b>Prashant A. Vora</b>
Father	Late Avantilal M. Vora
Mother	Nirmalaben A. Vora
Spouse	Seemaben P. Vora
Brother	Amitkumar A. Vora
Sister	Swati A. Shah
Son	Harsh P. Vora
Daughter	Kinjal P. Vora
Spouse's Father	Vasant B. Shah
Spouse's Mother	Meena V. Shah
Spouse's Brother	Bhavya V. Shah
Spouse's Sister	--

**B. Entities forming part of Promoter Group:***Companies*

- Virti Enterprises Private Limited

*LLP*

- Vora Securities LLP

*Partnership Firms*

Nil

*H.U.F.*

- Vora Prashantbhai Avantilal (HUF)

*Proprietary concerns*

Nil



## OUR GROUP ENTITIES

Pursuant to resolution of our Board dated February 5, 2019, and in accordance with the SEBI ICDR Regulations, group companies of our Company shall include (i) companies (other than our Subsidiaries) with which there were related party transactions as per the Restated Financial Information of our Company, as covered under applicable accounting standards; and (ii) such other companies as considered material by our Board. Our Board has approved that for the purpose of disclosure in connection with the Offer, a company shall be considered material and disclosed as a group company of our Company, if (i) such company forms part of the promoter group of our Company; and (ii) companies with whom transactions entered into exceed 5% or more of the revenue of our Company as per the Restated Financial Information of our Company for the last completed Financial Year.

On this basis, our Board has accordingly determined that there are no other companies which will be considered as Group Companies of our Company.

### Litigation

There is no outstanding litigation involving our Group Companies which have a material impact on our Company.

### Group Companies under the Insolvency and Bankruptcy Code, 2016

Neither has any winding up petition been filed under the Companies Act, 2013 against any group company nor has any corporate insolvency resolution process commenced against such group company under the Insolvency and Bankruptcy Code, 2016 or any other applicable law.

### Defunct Group Companies

None of our Group Companies are defunct companies, nor has any application been made to strike off their names from the register of companies during the five years preceding the date of filing the Draft Red Herring Prospectus.

### Related Party Transactions and sales and purchases between our Company and Group Entities

For details of related party transactions entered into by our Company, refer “*Related Party Transactions*” on page 109.

### Common Pursuits

There are no common pursuits amongst any of our Group Companies and our Company.

### Interest of Group Entities

- a) None of the Group Companies have any interest in the promotion of our Company.
- (b) None of the Group Companies are interested in the properties acquired or proposed to be acquired by our Company in the preceding three years.
- (c) Except as disclosed in “*Financial Statements*” beginning on page 146, none of the Group Companies is interested in any transactions for acquisition of land, construction of building or supply of machinery.
- (d) Except in the ordinary course of business as disclosed in “*Financial Statements*” beginning on page 93, none of the Group Companies have any business interest or other interests in our Company.

### Payment or Benefit to our Group Entities

Except as stated in the “*Related Party Transactions*” on page 109, there has been no payment of benefits to our Group Entities during the two years prior to the filing of this Draft Prospectus.

### Other Confirmations

As on the date of this Draft Prospectus, none of the Group Entities: (i) are listed on any stock exchange; (ii) have completed any public or rights issue since the date of its incorporation; (iii) have become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 in India; (iv) has received any winding up

petition accepted by a court; (v) have become defunct; (vi) have made an application to the relevant registrar of companies (in India), for striking off its name (vii) have been identified as wilful defaulters, as defined under the SEBI (ICDR) Regulations and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them (viii) have been refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad (ix) had negative net worth as of the date of their last audited financial statements.

## **RELATED PARTY TRANSACTIONS**

For details of related party transactions of our Company as per the requirements under Accounting Standard 18 “*Related Party Disclosures*” issued by the Institute of Chartered Accountants of India and as reported in the Restated Financial Statements, please refer to “*Statement of Related Party Transactions*” on page 109 under “*Financial Statements*” on page 93 of the 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 applicable law, including the Companies Act, 2013. The dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual obligations, applicable legal restrictions and overall financial position of our Company.

Our Company has no formal dividend policy. Our Board may also, from time to time and in accordance with applicable laws, pay interim dividends from the profits of the Financial Year in which such interim dividend is sought to be declared.

**SECTION V – FINANCIAL INFORMATION  
FINANCIAL STATEMENTS**

**INDEPENDENT AUDITOR’S REPORT**

(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)

**To,**  
**The Board of Directors**  
**Parshva Enterprises Limited**  
811, A Wing,  
Jaswanti Allied Business Centre,  
Ramchandra Lane Extn.,  
Malad West, Mumbai – 400064

Dear Sir,

**1. Report on Restated Financial Statements**

We have examined the Restated Financial Statements of M/s Parshva Enterprises Limited (hereinafter referred as “the Company”), the summarized statements of which annexed to this report have been prepared in accordance with the requirements of:

- i. Section 26 read with the applicable provisions within Rule-4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of Companies Act, 2013, As amended (hereinafter referred to as the “Act”) and
  - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“the Regulation”) (“SEBI ICDR Regulations”) issued by the Securities and Exchange Board of India (SEBI) and amendments made thereto;
  - iii. The terms of reference to our engagements with the Company requesting us to examine financial statements referred to above and proposed to be included in the Draft Prospectus/Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares on SME Platform of Stock Exchange (“IPO” or “SME IPO”);
  - iv. The (Revised) Guidance Note on Reports in Company Prospectus issued by the Institute of Chartered Accountants of India (“ICAI”) ; and
  - v. In terms of Schedule VI of the SEBI (ICDR) Regulations, 2018 and other provisions relating to accounts, We, M/s Choudhary Choudhary & Co., Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate.
2. The Restated Summary Statements and Financial information of the Company have been extracted and prepared by the management from the Audited Financial Statements of the Company for the period from July 27, 2017 to March 31, 2018 and financial year ended March 31, 2019 which have been approved by the Board of Directors.
3. Financial Statements for the period from July 27, 2017 to March 31, 2018 has been audited by M/s Suchit Shah & Associates, Chartered Accountants and for the financial year ended March 31, 2019 has been audited by us. We have also carried out re-audit of the financial statements solely for the purpose of restatement for the period from July 27, 2017 to March 31, 2018 as required by SEBI regulations.

**4. Financial Information as per Audited Financial Statements:**

- i. We have examined:
  - a. The attached Restated Statement of Assets and Liabilities of the company, as at March 31, 2019 and March 31, 2018, (Annexure I);
  - b. The attached Restated Statement of Profits and Losses of the Company for the period from July 27, 2017 to March 31, 2018 and for the financial Year ended on March 31, 2019, (Annexure II);

- c. The attached Restated Statement of Cash Flows of the Company for the period from July 27, 2017 to March 31, 2018 and for the financial Year ended on March 31, 2019, (Annexure III);
- d. The Significant Accounting Policies adopted by the Company and notes to the Restated Financial Statements along with adjustments on account of audit qualifications / adjustments / regroupings.(Annexure IV);

(Collectively hereinafter referred as “**Restated Financial Statements**” or “**Restated Summary Statements**”)

- ii. In accordance with the requirements of Act, ICDR Regulations as amended from time to time, Guidance Note on the reports in Company Prospectus (Revised) issued by ICAI and the terms of our Engagement Letter, we further report that:
  - a. The “Restated Statement of Assets and Liabilities” as set out in Annexure I to this report, of the Company as at March 31, 2018 and March 31, 2019 are prepared by the Company and approved by the Board of Directors. This Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual Financial Statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in Annexure IV to this Report.
  - b. The “Restated Statement of Profit and Loss”as set out in Annexure II to this report, of the Company for the period from July 27, 2017 to March 31, 2018 and for the financial Year ended on March 31, 2019 are prepared by the Company and approved by the Board of Directors. This Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in Annexure IV to this Report.
  - c. The “Restated Statement of Cash Flow” as set out in Annexure III to this report, of the Company for the period from July 27, 2017 to March 31, 2018 and for the financial Year ended on March 31, 2019, are prepared by the Company and approved by the Board of Directors. This Statement of Cash Flow, as restated, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Summary Statements as set out in Annexure IV to this Report.

Based on the above we are of the opinion that “**Restated Financial Statements**” or “**Restated Summary Statements**” have been made after incorporating:

- a. There are no adjustments for any material amounts in the respective financial years have been made to which they relate.
- b. There are no Extra-ordinary items that need to be disclosed separately in the Restated Summary Statements.
- c. There were no audit qualifications for which adjustment was required.
- d. There was no change in accounting policies, which needs to be adjusted in the Restated Financial Statements.
- e. There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statements.
- f. The Company has not paid dividend on its equity shares.

#### 5. Other Financial Information:

- I. We have also examined the following financial information as set out in annexure prepared by the Management and as approved by the Board of Directors of the Company for the period from July 27, 2017 to March 31, 2018 and for the financial Year ended on March 31, 2019.

PARTICULARS	ANNEXURE NO.
STATEMENT OF ASSETS AND LIABILITIES AS RESTATED	I
STATEMENT OF PROFIT & LOSS AS RESTATED	II

STATEMENT OF CASH FLOWS AS RESTATED	III
SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED SUMMARY STATEMENTS	IV
STATEMENT OF SHARE CAPITAL AS RESTATED	I.1
STATEMENT OF RESERVES AND SURPLUS AS RESTATED	I.2
STATEMENT OF SHORT TERM BORROWINGS AS RESTATED	I.3
STATEMENT OF SHORT TERM PROVISIONS AS RESTATED	I.4
STATEMENT OF FIXED ASSETS AS RESTATED	I.5
STATEMENT OF DEFERRED TAX ASSETS AS RESTATED	I.6
STATEMENT OF OTHER NON CURRENT ASSETS AS RESTATED	I.7
STATEMENT OF INVENTORIES AS RESTATED	I.8
STATEMENT OF CASH AND CASH EQUIVALENTS AS RESTATED	I.9
STATEMENT OF SHORT TERM LOANS AND ADVANCES AS RESTATED	I.10
STATEMENT OF OTHER CURRENT ASSETS AS RESTATED	I.11
STATEMENT OF REVENUE FROM OPERATIONS AS RESTATED	II.1
STATEMENT OF OTHER INCOME AS RESTATED	II.2
STATEMENT OF COST OF GOODS SOLD AS RESTATED	II.3
STATEMENT OF EMPLOYEE BENEFIT EXPENSES AS RESTATED	II.4
STATEMENT OF OTHER EXPENSES AS RESTATED	II.5
STATEMENT OF FINANCIAL CHARGES AS RESTATED	II.6
STATEMENT OF RELATED PARTY TRANSACTIONS AS RESTATED	V
STATEMENT OF ACCOUNTING RATIOS AS RESTATED	VI
STATEMENT OF CAPITALIZATION AS RESTATED	VII

- II. The Restated Financial Information contain all the disclosures required by the SEBI ICDR regulations and partial disclosures as required by Accounting Standards notified under section 133 of Companies Act, 2013.
- III. We have not audited any financial statements of the Company as of any date or for any period subsequent to March 31, 2019. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Company as of any date or for any period subsequent to March 31, 2019.
- IV. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company in accordance with the provisions of the Act and the Financial Information referred to above is the responsibility of the management of the Company.
- V. In our opinion, the above restated financial information contained in this report read along with the are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with paragraph B, Part II of Schedule II of the Act, the SEBI Regulations, The Revised Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India (ICAI) to the extent applicable, as amended from time to time, and in terms of our engagement as agreed with the Company. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.

- VI. Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
- VII. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit report, nor should this constructed as a new opinion on any of the financial statements referred to herein.
- VIII. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- IX. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO-SME for Proposed Issue of Equity Shares of the Company and our report should not be used, referred to or adjusted for any other purpose without our written consent.

## 6. Auditor's Responsibility

Our responsibility is to express an opinion on these restated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## 7. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the restated financial statements read together with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable.

**For M/s. Chaudhary Chaudhary & Co.,**  
Chartered Accountants

CA Alok Kumar Mishra  
Partner  
**Membership No:** 124184  
**Firm Registration No:**002910C  
**Date:** April 8, 2019  
**Place:** Mumbai



## STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(₹ in Lakhs)

Particulars	Note No.	31.03.19	31.03.18
<b>Equity &amp; Liabilities</b>			
<b>Shareholders Fund</b>			
Share capital	I.1	220.00	200.00
Reserves and Surplus	I.2	103.92	3.88
<b>Total Shareholder's Fund</b>		<b>323.92</b>	<b>203.88</b>
<b>Non Current Liabilities</b>			
Long Term Borrowings		0.00	0.00
Long term provisions		0.00	0.00
Deferred Tax Liability		0.00	0.00
<b>Total Current Liabilities</b>		<b>0.00</b>	<b>0.00</b>
<b>Current Liabilities</b>			
Short Term Borrowings	I.3	23.06	0.00
Trade Payables		0.00	0.00
Other Current Liabilities		0.00	0.00
Short Term Provisions	I.4	10.96	1.53
<b>Total Current Liabilities</b>		<b>34.02</b>	<b>1.53</b>
<b>Total Equity &amp; Liability</b>		<b>357.93</b>	<b>205.41</b>
<b>Non-Current Assets</b>			
a) Fixed Assets			
Tangible Assets		26.71	13.02
Intangible Assets		0.00	0.00
<b>Total Fixed Assets (a)</b>	<b>I.5</b>	<b>26.71</b>	<b>13.02</b>
b) Non Current Investments		0.00	0.00
b) Deferred Tax Assets	I.6	0.51	0.10
c) Long Term Loans and Advances		0.00	0.00
d) Other Non Current Assets	I.7	3.76	2.84
<b>Total Non Current Assets</b>		<b>30.97</b>	<b>15.96</b>
<b>Current assets</b>			
Current Investments		0.00	0.00
Inventories	I.8	266.13	91.41
Trade Receivables		0.00	0.00
Cash and Cash Equivalents balances	I.9	1.35	24.04
Short Term Loans and Advances	I.10	54.78	70.53
Other Current Assets	I.11	4.70	3.47
<b>Total Current Assets</b>		<b>326.96</b>	<b>189.45</b>
<b>Total Assets</b>		<b>357.93</b>	<b>205.41</b>

Annexure II

**STATEMENT OF PROFIT & LOSS AS RESTATED**

(₹ in Lakhs)

<b>Particulars</b>	<b>Note No.</b>	<b>FY 31.03.19</b>	<b>For the Period from 27.7.17 to 31.03.18</b>
<b>Income</b>			
Revenue from Operations	II.1	709.22	476.29
Other Income	II.2	4.11	0.93
<b>Total Revenue</b>		<b>713.32</b>	<b>477.21</b>
<b>Expenditure</b>			
Cost of Goods Sold	II.3	645.82	458.62
Employee Benefit Expenses	II.4	8.05	3.72
Other Expenses	II.5	14.01	7.24
<b>Total (B)</b>		<b>667.88</b>	<b>469.59</b>
<b>Profit Before Interest, Depreciation and Tax</b>		<b>45.44</b>	<b>7.63</b>
Depreciation	I.5	4.80	2.29
<b>Profit Before Interest and Tax</b>		<b>40.64</b>	<b>5.34</b>
Financial Charges	II.6	0.05	0.02
<b>Profit before Taxation</b>		<b>40.58</b>	<b>5.31</b>
Provision for Taxation		10.96	1.53
Provision for Deferred Tax		(0.41)	(0.10)
<b>Total</b>		<b>10.54</b>	<b>1.43</b>
<b>Profit After Tax but Before Extra ordinary Items</b>		<b>30.04</b>	<b>3.88</b>
Extraordinary Items		0.00	0.00
Prior Period Items		0.00	0.00
<b>Net Profit after adjustments</b>		<b>30.04</b>	<b>3.88</b>
<b>Net Profit Transferred to Balance Sheet</b>		<b>30.04</b>	<b>3.88</b>

## STATEMENT OF CASH FLOWS AS RESTATED

(₹ in Lakhs)

PARTICULARS	FY 31.03.19	For the Period from 27.7.17 to 31.03.18
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	40.58	5.31
<i>Adjusted for :</i>		
a. Depreciation	4.80	2.29
b. Interest Expenses & Finance Cost	0.05	0.02
c. Interest & Other Income	(4.11)	(0.93)
<b>Operating profit before working capital changes</b>	<b>41.33</b>	<b>6.70</b>
<i>Adjusted for :</i>		
a. Decrease /(Increase) in Inventories	(174.72)	(91.41)
b. Decrease / ( Increase ) in trade receivable	0.00	0.00
b. Decrease / ( Increase ) in Current Investments	0.00	0.00
c. ( Increase ) / Decrease in short term loans and advances	15.75	(70.53)
d. Increase / ( Decrease ) in Trade Payables	0.00	0.00
e. Increase / (Decrease) in short term provisions	9.43	1.53
f. Increase / ( Decrease ) in other current liabilities	0.00	0.00
g. ( Increase ) / Decrease in Other Current Assets	(1.23)	(3.47)
<b>Cash generated from operations</b>	<b>(109.44)</b>	<b>(157.18)</b>
Income Tax Paid ( net of refunds )	10.96	1.53
<b>NET CASH GENERATED FROM OPERATION</b>	<b>(120.39)</b>	<b>(158.71)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITES</b>		
a. (Purchase) / Sale of Fixed Assets	(18.49)	(15.31)
b.( Purchase) / Sale of non-current investment	0.00	0.00
c. ( Increase ) / Decrease in Long term loans and advances	0.00	0.00
d. Increase / ( Decrease ) in Long Term Provisions	0.00	0.00
e. ( Increase ) / Decrease in Other Non Current Assets	(0.92)	(2.84)
f. (Increase) in Misc. Expenses	0.00	0.00
g. Interest & Other Income	4.11	0.93
<b>Net cash (used) in investing activities</b>	<b>(15.30)</b>	<b>(17.22)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITES</b>		
a. Interest & Finance Cost	(0.05)	(0.02)
b. Proceeds from share issued / application	90.00	200.00
c. ( Repayments ) / proceeds of long term borrowings	0.00	0.00
d. ( Repayments ) / proceeds of short term borrowings	23.06	0.00
<b>Net cash generated/(used) in financing activities</b>	<b>113.01</b>	<b>199.98</b>
<b>Net Increase / ( Decrease ) in cash and cash equivalents</b>	<b>(22.69)</b>	<b>24.04</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>24.04</b>	<b>0.00</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1.35</b>	<b>24.04</b>

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

**SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED SUMMARY STATEMENTS****1. Significant accounting policies**

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

**1.1 Basis of preparation of financial statements**

These financial statements have been prepared under historical cost convention from books of accounts maintained on an accrual basis (unless otherwise stated hereinafter) in conformity with accounting principles generally accepted in India and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and referred to Sec 129 & 133 of the Companies Act, 2013, of India. The accounting policies applied by the company are consistent with those used in previous year.

**1.2 Use of estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

**1.3 Fixed assets**

"Fixed assets are stated at acquisition cost less accumulated depreciation/amortisation and accumulated impairment, if any. All direct costs are capitalised including freight, duties, taxes and expenses incidental to acquisition and installation of fixed assets.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance."

**Tangible assets**

The useful lives of the assets are based on technical estimates approved by the Management, and are lower than or same as the useful lives prescribed under Schedule II to the Companies Act, 2013 in order to reflect the period over which depreciable assets are expected to be used by the Company. Depreciation is provided on a prorata basis on the straight line method based on the estimated useful lives of the assets.

**1.4 Investments**

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Long-term investments are valued at cost. The Company provides for diminution in the value of investments, other than temporary in nature as determined for each investment individually. Current investments are valued at the lower of cost and fair value as on the date of the Balance Sheet.

**1.5 Revenue recognition**

Revenue from sale of goods in the course of ordinary activities is recognised when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding collection. The amount recognised as revenue is exclusive of sales tax, value added taxes (VAT) and is net of returns, trade discounts and quantity discounts.

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

## **1.6 Provisions**

A provision is recognized when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions, other than employee's benefits, are not discounted to their present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

## **1.7 Taxation**

Current tax is determined as the amount of tax payable in respect of taxable income for the year using the tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, such deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

## **1.8 Previous year figures**

Previous year figures have been regrouped/rearranged/reclassified, wherever necessary to confirm to the current year presentation.

## **1.9 Disclosure required pursuant to Accounting Standard "Impairment of Assets" prescribed by Companies (Accounting Standards) rules, 2006 is as follows:**

The company has carried out impairment test on its fixed assets as on the date of Balance Sheet and the management is of the opinion that there is no asset for which provision for impairment is required to be made as per Accounting Standard 28.

## **1.10 Micro & Small Enterprises**

There are no Micro , Small and Medium Enterprises to whom the Company owes dues, which are outstanding more than 45 days at the Balance Sheet date. There is Nil creditors as at the Balance Sheet date.

1.11 The companies operations consists of trading in Gems and Jewelleries and Real estate properties. In the financial year ended on March 31, 2019 the company has gross revenue of only Rs 10 lacs from real estate business which is 1.4% of total operating income. Hence, as per Accounting Standard 17, there are no reportable segments for the current period.

1.12 The company has not made any expenditures in Foreign Currency.

## **2. CHANGES IN ACCOUNTING POLICIES IN THE PERIOD/YEARS COVERED IN THE RESTATED FINANCIALS**

There is no change in significant accounting policies of the Company during the periods covered under audit.

## **3. NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS**

- i. The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

## **4. MATERIAL ADJUSTMENTS (AS PER SEBI (ICDR) REGULATIONS)**

There are no material adjustments the results of which will impact the restated financial statements. No reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is required. No reconciliation of Equity and Reserves as per audited results and the Equity and Reserves as per Restated Accounts is required.

**5. Realizations:**

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the Balance sheet.

**6. Amounts in the financial statements**

Amounts in the restated financial statements are reported in rupees and rounded off to second digit of decimal. Figures in brackets indicate negative values.

**7. Auditors Qualifications –**

Details of Auditors qualifications and their impact on restated financial statement is given below:

- a) Qualification which required adjustment in restated financial statements: None
- b) Qualification which does not require adjustment in restated financial statements: None

Annexure I.1

**STATEMENT OF SHARE CAPITAL AS RESTATED**

(₹ in Lakhs)

Particulars	31.03.19	31.03.18
Authorised		
Equity shares of ₹ 10/- each	400.00	200.00
Issued, Subscribed & Fully Paid-up		
Equity shares of ₹ 10/- each	220.00	200.00

Note: The Company has only one class of equity shares of par value ₹ 10 each. Each equity shareholder is entitled to one vote per share held, and on liquidation entitled to receive balance of net assets remaining after settlement of all debts, creditors & preferential amounts, proportionate to their respective shareholding. No dividend is proposed.

**Reconciliation of No. of Shares Outstanding at the end of the year**

Particulars	31.03.19	31.03.18
Shares outstanding at the beginning of the year	20,00,000	0
Shares issued during the year	2,00,000	20,00,000
Bonus Issued during the year	0	0
Share outstanding at the end of the year	22,00,000	20,00,000

**Details of Shareholding more than 5% of the aggregate shares in the company**

Particulars	31.03.19	31.03.18
<b>Prashant A. Vora</b>		
No. of Shares	1319980	11,29,980
% Holding	60.00	56.50
<b>Seemaben P Vora</b>		
No. of Shares	535000	5,05,000
% Holding	24.32	25.25
<b>Nirmalaben A. Vora</b>		
No. of Shares	5000	155000
% Holding	0.23	7.75
<b>Vora Prashantbhai Avantilal (HUF)</b>		
No. of Shares	230010	2,00,010
% Holding	10.46	10.00

Annexure I.2

**STATEMENT OF RESERVES AND SURPLUS AS RESTATED**

(₹ in Lakhs)

<b>Particulars</b>	<b>31.03.19</b>	<b>31.03.18</b>
<b>Statement of Profit &amp; Loss</b>		
Opening balance	3.88	0.00
Add: Profit for the year	30.04	3.88
<b>Profit available for appropriation</b>	<b>33.92</b>	<b>3.88</b>
Less: Utilised for Bonus Issue	0.00	0.00
<b>Balance as at the end of the year</b>	<b>33.92</b>	<b>3.88</b>
<b>Securities Premium Account</b>		
Opening balance	0.00	0.00
Add: Additions during the year	70.00	0.00
Less: Utilised for Bonus Issue	0.00	0.00
<b>Balance as at the end of the year</b>	<b>70.00</b>	<b>0.00</b>
<b>Total Reserve &amp; Surplus</b>	<b>103.92</b>	<b>3.88</b>

Annexure I.3

**STATEMENT OF SHORT TERM BORROWINGS AS RESTATED**

(₹ in Lakhs)

<b>Particulars</b>	<b>31.03.19</b>	<b>31.03.18</b>
LAP - Drop Down OD from Kalupur Comm.Co.Cp. Bank Ltd.	23.06	0.00
<b>Total</b>	<b>23.06</b>	<b>0.00</b>

Annexure I.4

**STATEMENT OF SHORT TERM PROVISIONS AS RESTATED**

(₹ in Lakhs)

<b>Particulars</b>	<b>31.03.19</b>	<b>31.03.18</b>
Provision for Income Tax	10.96	1.53
<b>Total</b>	<b>10.96</b>	<b>1.53</b>



Annexure I.5

**STATEMENT OF FIXED ASSETS AS RESTATED**

(₹ in Lakhs)

Sr. No.	Description	Gross Block				Depreciation			Net Block	
		As At 01-04-2017	addition/revaluation During The Year	Deductions During the Year	As At 31-03-2018	As At 01-04-2017	Provided During The Year	As At 31-03-2018	As At 31-03-2018	As At 31-03-2017
1	Computer	0.00	1.96	0.00	1.96	0.00	0.64	0.64	1.32	0.00
2	Furniture & Fixture	0.00	12.03	0.00	12.03	0.00	1.52	1.52	10.50	0.00
3	Air Conditioner	0.00	1.32	0.00	1.32	0.00	0.12	0.12	1.20	0.00
	<b>TOTAL</b>	<b>0.00</b>	<b>15.31</b>	<b>0.00</b>	<b>15.31</b>	<b>0.00</b>	<b>2.28</b>	<b>2.28</b>	<b>13.02</b>	<b>0.00</b>

Sr. No.	Description	Gross Block				Depreciation			Net Block	
		As At 01-04-2018	addition/revaluation During The Year	Deductions During the Year	As At 31-03-2019	As At 01-04-2018	Provided During The Year	As At 31-03-2019	As At 31-03-2019	As At 31-03-2018
1	Computer	1.96	0.10	0.00	2.06	0.64	0.88	1.52	0.54	1.32
2	Furniture & Fixture	12.03	2.50	0.00	14.52	1.52	2.72	4.24	10.28	10.50
3	Air Conditioner	1.32	1.24	0.00	2.56	0.12	0.27	0.39	2.17	1.20
4	Plant and Machinery	0.00	13.50	0.00	13.50	0.00	0.85	0.85	12.65	0.00
5	Mobile	0.00	0.61	0.00	0.61	0.00	0.08	0.08	0.53	0.00
6	CCTV Camera	0.00	0.55	0.00	0.55	0.00	0.00	0.00	0.55	0.00
	<b>TOTAL</b>	<b>15.31</b>	<b>18.49</b>	<b>0.00</b>	<b>33.80</b>	<b>2.28</b>	<b>4.80</b>	<b>7.08</b>	<b>26.71</b>	<b>13.02</b>

Annexure I.6

**STATEMENT OF DEFERRED TAX ASSETS AS RESTATED**

(₹ in Lakhs)

Particulars	31.03.19	31.03.18
Opening Deferred Tax Liability / (Asset)	(0.10)	0.00
<b>Deferred Tax Asset</b>		
On the Block of Fixed Assets	0.41	0.10
On Other Items	0.00	0.00
<b>Sub Total</b>	<b>0.41</b>	<b>0.10</b>
<b>Deferred Tax Liability</b>		
On the Block of Fixed Assets	0.00	0.00
On Other Items	0.00	0.00
<b>Sub Total</b>	<b>0.00</b>	<b>0.00</b>
Net Deferred Tax Liability / (Asset)	(0.41)	(0.10)
<b>Closing Deferred Tax Liability / (Asset)</b>	<b>(0.51)</b>	<b>(0.10)</b>

Annexure I.7

**STATEMENT OF OTHER NON CURRENT ASSETS AS RESTATED**

(₹ in Lakhs)

Particulars	31.03.19	31.03.18
Preliminary Expenses	3.76	2.84
<b>Total</b>	<b>3.76</b>	<b>2.84</b>

Annexure I.8

**STATEMENT OF INVENTORIES AS RESTATED**

(₹ in Lakhs)

Particulars	31.03.19	31.03.18
Opening Stock	91.41	0.00
Add: Purchases	820.54	550.03
Less: Cost of Goods Sold	645.82	458.62
<b>Closing Stock</b>	<b>266.13</b>	<b>91.41</b>

Annexure I.9

**STATEMENT OF CASH AND CASH EQUIVALENTS AS RESTATED**

(₹ in Lakhs)

Particulars	31.03.19	31.03.18
Balances with banks in current account	1.22	21.78
Cash on hand	0.13	2.26
<b>Total</b>	<b>1.35</b>	<b>24.04</b>

Annexure I.10

**STATEMENT OF SHORT TERM LOANS AND ADVANCES AS RESTATED**

(₹ in Lakhs)

Particulars	31.03.19	31.03.18
Advances Recoverable in Cash or In Kind Or For a Value To Be received	4.00	4.00
Advance Tax Paid	4.00	1.50
Godown	0.00	20.00
S Tarun & Sons	20.00	20.00
Saffron Tree and Corp	25.00	25.00
Kalupur Bank Share Account	0.50	0.00
Security Deposit (NSDL)	0.10	0.00
TDS on interest	0.18	0.03
Advance payment of Tax	1.00	0.00
<b>Total</b>	<b>54.78</b>	<b>70.53</b>

Annexure I.11

**STATEMENT OF OTHER CURRENT ASSETS AS RESTATED**

(₹ in Lakhs)

Particulars	31.03.19	31.03.18
Taxes and Duties	4.70	0.00
<b>Total</b>	<b>4.70</b>	<b>0.00</b>

Annexure II.1

**STATEMENT OF REVENUE FROM OPERATIONS AS RESTATED**

(₹ in Lakhs)

Particulars	For the FY/Period ended	
	31.03.19	31.03.18
Sale of Diamonds and Jewellery	704.22	476.29
Net Revenue from Real Estate	5.00	
<b>Total</b>	<b>709.22</b>	<b>476.29</b>

Annexure II.2

**STATEMENT OF OTHER INCOME AS RESTATED**

(₹ in Lakhs)

Particulars	For the FY/Period ended	
	31.03.19	31.03.18
Interest	4.11	0.93
<b>Total</b>	<b>4.11</b>	<b>0.93</b>

Annexure II.3

**STATEMENT OF COST OF GOODS SOLD AS RESTATED**

(₹ in Lakhs)

Particulars	For the FY/Period ended	
	31.03.19	31.03.18
Opening Stock	91.41	0.00
Add: Purchases of Diamonds and Jewellery	766.16	550.03
Add: Purchases of Real Estate as Stock in Trade	54.38	0.00
Less: Closing Stock	266.13	91.41
<b>Cost of Goods Sold</b>	<b>645.82</b>	<b>458.62</b>

Annexure II.4

**STATEMENT OF EMPLOYEE BENEFIT EXPENSES AS RESTATED**

(₹ in Lakhs)

Particulars	For the FY/Period ended	
	31.03.19	31.03.18
Salary & Wages	7.37	3.26
Staff Welfare	0.68	0.46
<b>Total</b>	<b>8.05</b>	<b>3.72</b>

Annexure II.5

**STATEMENT OF OTHER EXPENSES AS RESTATED**

(₹ in Lakhs)

Particulars	For the FY/Period ended	
	31.08.19	31.03.18
Statutory Audit Fees	0.20	0.10
Conveyance Expenses	0.64	0.26
Computer Expenses	0.08	0.09
Electricity Expenses	0.32	0.15
Legal and Professional Expenses	0.00	0.10
Printing and Stationery	0.06	0.04
Petrol Expenses	0.50	0.54
Office Expenses	0.00	0.28
Office Rent	7.20	4.80
Roc Expenses w/off	1.08	0.68

Telephone Expenses	0.09	0.10
Website Design Charges	0.25	0.10
Car Expenses	0.03	0.00
Society Maintainance	1.28	0.00
Rounding Off	0.00	0.00
Demat Charges	0.28	0.00
House Keeping Expenses	0.44	0.00
Loan Processing Charges	0.52	0.00
Reparing Charges	0.14	0.00
Interest On TDS	0.01	0.00
OD Interest	0.05	0.00
Proffesional Fees	0.80	0.00
Proffesional Tax	0.05	0.00
<b>Total</b>	<b>14.01</b>	<b>7.24</b>

Annexure II.6

**STATEMENT OF FINANCIAL CHARGES AS RESTATED**

(₹ in Lakhs)

Particulars	For the FY/Period ended	
	31.03.19	31.03.18
Bank Charges	0.05	0.02
<b>Total</b>	<b>0.05</b>	<b>0.02</b>

**STATEMENT OF RELATED PARTY TRANSACTIONS AS RESTATED**

List of Related Parties:

<b>Name of Party</b>	<b>Relationship</b>
<b>Prashant A. Vora</b>	Promoter
Nirmalaben A. Vora	Promoter Group
Seemaben P. Vora	Promoter Group
Amitkumar A. Vora	Promoter Group
Virti Enterprises Private Limited	Group Entity
Vora Securities LLP	Group Entity
Vora Prashantbhai Avantilal (HUF)	Promoter's HUF

Related Party Transactions:

(₹ in Lakhs)

<b>Particulars</b>	<b>31.03.19</b>	<b>31.03.18</b>
<b>Office Rent</b>		
Prashant A. Vora	4.68	3.12
Seema P. Vora	2.52	1.68
<b>Security Deposit (Closing Balance)</b>		
Prashant A. Vora	2.00	2.00
Seema P. Vora	2.00	2.00
<b>Unsecured Loan (Received)</b>		
Prashant A. Vora	71.26	0.00
Harsh P. Vora	11.10	0.00
<b>Unsecured Loan (Repaid)</b>		
Prashant A. Vora	71.26	0.00
Harsh P. Vora	11.10	0.00
<b>Unsecured Loan (Closing Balance)</b>		
Prashant A. Vora	0.00	0.00
Harsh P. Vora	0.00	0.00

**STATEMENT OF ACCOUNTING RATIOS AS RESTATED**

<b>Particulars</b>	<b>31.03.19</b>	<b>31.03.18</b>
EBITDA	45.44	7.63
Net Profit as restated (₹ in Lacs)	30.04	3.88
Net Worth (₹ in Lacs)	320.16	201.04
Return on Net worth (%)	9.38%	1.93%
Equity Share at the end of year (in Nos.)	22,00,000	20,00,000
(Face Value ₹ 10)	10.00	10.00
Weighted No. of Equity Shares	20,09,315	9,81,250
Basic and Diluted Earnings per Equity Share	1.50	0.40
Net Asset Value/Book Value per Equity share (Based on no of share at the end of year)	14.55	10.05

Note:- Earnings per share (Rs.) = Profit available to equity shareholders / weighted No. of shares outstanding at the end of the year.

Return on Net worth (%) = Restated Profit after taxation / Net worth x 100

Net asset value / Book value per share (Rs.) = net worth / No. of equity shares

The company does not have any revaluation reserve or extra- ordinary items.

## STATEMENT OF CAPITALIZATION AS RESTATED

(₹ in Lakhs)

Particulars	Pre Issue	Post Issue*
	As at 31.03.2019	
<b>Debt :</b>		
Short term debt	23.06	23.06
Long term debt	0.00	0.00
<b>Total Debt</b>	<b>23.06</b>	<b>23.06</b>
<b>Shareholders Funds</b>		
Equity Share Capital	220.00	301.00
Reserves and Surplus	103.92	387.42
Less: Revaluation Reserves	0.00	0.00
Less: Misc. Expenditure	3.76	3.76
<b>Total Shareholders' Funds</b>	<b>320.16</b>	<b>684.66</b>
Long Term Debt/ Shareholders' Funds	0.00	0.00
<b>Total Debt / Shareholders Fund</b>	<b>0.07</b>	<b>0.03</b>

## MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION 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” on page 18, 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 financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the ICDR Regulations and restated as described in the report of our auditor dated April 8, 2019 which is included in this Draft Prospectus under “Financial Statements”. The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.*

### Significant Developments Subsequent to the Last Financial Period

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Draft Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the business or profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

### Key factors affecting the results of operation:

Our Company’s future results of operations could be affected potentially by the following factors:

1. **General Economic Conditions:** We are likely to be affected by general economic conditions prevailing in the country where we operate and also the countries where we export. Growth rates of the economy and income levels of consumers are one of the determinants of demand in the Gems & Jewellery industry.
2. **Products availability and cost:** We are mainly engaged in the wholesale supply and trading of precious stones, primarily cut and polished diamonds. Historically, the price fluctuation of Diamond, however, does not affect our margins because its is a pass through. Our inability to increase our sale prices to reflect higher commodity costs would result in lower profitability.
3. **Demand for our Products:** The demand for our products is determined by fluctuations in prices, changes in consumer preference from diamonds to gold and other stones etc. Further, jewellery forms part of the discretionary purchases for consumers having higher disposable income. Any reduction in consumer spending or disposable income may affect demand of our products.
4. **Fluctuations in market prices for our projects**

Our total income is affected by the sales prices of our invested properties which are affected by prevailing market conditions and prices in the real estate sector in which the project is located and in India generally (including market forces of supply and demand), the nature and location of our properties.

Supply and demand market conditions are affected by various factors outside our control, including:

- \_ prevailing local economic, income and demographic conditions;
  - \_ availability of consumer financing (interest rates and eligibility criteria for loans);
  - \_ changes in governmental policies relating to zoning and land use;
  - \_ changes in applicable regulatory schemes; and
  - \_ competition from other real estate developers.
5. Company’s ability to successfully implement our strategy, our growth and expansion, technological changes;
  6. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
  7. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;



8. Changes in laws and regulations relating to the industries in which we operate;
9. Effect of lack of infrastructure facilities on our business;
10. Intensified competition in industries/sector in which we operate;
11. Our ability to attract, retain and manage qualified personnel;
12. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;

#### 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 from July 27, 2018 to March 31, 2018 and financial year ended March 31, 2019.

#### OUR SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer *Significant Accounting Policies, “Annexure IV” beginning under Chapter titled “Auditors’ Report and Financial Information of our Company” on page 93.*

#### RESULTS OF OUR OPERATION

Our restated financial statements consists of audited financial results of our Company for the period from July 27, 2017 to March 31, 2018 and financial year ended March 31, 2019. No meaningful comparison is possible between two periods.

(₹ in Lakhs)

Particulars	FY 31.03.19	For the Period from 27.7.17 to 31.03.18
<b>Income</b>		
Revenue from Operations	709.22	476.29
Other Income	4.11	0.93
<b>Total Income</b>	<b>713.32</b>	<b>477.21</b>
<b>Expenditure</b>		
<b>Cost of Goods Sold</b>	<b>645.82</b>	<b>458.62</b>
% to Total Income	90.54%	96.11%
<b>Employee Benefit Expenses</b>	<b>8.05</b>	<b>3.72</b>
% to Total Income	1.13%	0.78%
<b>Other Expenses</b>	<b>14.01</b>	<b>7.24</b>
% to Total Income	1.96%	1.52%
<b>Total Expenditure</b>	<b>667.88</b>	<b>469.59</b>
% to Total Income	93.63%	98.40%
<b>PBIDT</b>	<b>45.44</b>	<b>7.63</b>
% to Total Income	6.37%	1.60%
<b>Depreciation</b>	<b>4.80</b>	<b>2.29</b>
% to Total Income	0.67%	0.48%
<b>Financial Charges</b>	<b>0.05</b>	<b>0.02</b>
% to Total Income	0.01%	0.00%

<b>Profit before Taxation</b>	<b>40.58</b>	<b>5.31</b>
% to Total Income	5.69%	1.11%
<b>Tax Effect</b>	<b>10.54</b>	<b>1.43</b>
% to Total Income	1.48%	0.30%
<b>Profit After Tax</b>	<b>30.04</b>	<b>3.88</b>
% to Total Income	4.21%	0.81%

### For the Financial Year ended March 31, 2017

#### Revenue from Operations

We recorded revenue from operations of ₹ 709.22 Lakhs. Out of the revenue from operations ₹ 5.00 lakhs is net revenue from real estate business and entire balance revenue is from gems and jewellery business. We entered into real estate segment from FY 2019.

We had other income of ₹ 4.11 Lakhs which consisted of interest received. Total income for the FY 2019 was ₹ 713.32 Lakhs.

#### Cost of goods sold

The cost of goods sold aggregated to ₹ 645.82 Lakhs which was 90.54% of the total income.

Other Expenses stood at ₹ 14.01 Lakhs which was 2.10% of the total operating expenses and 1.96% of the total income.

Employee benefit expenses stood at ₹ 8.05 Lakhs which was 1.21% of the total operating expenses and 1.13% of the total income.

#### Depreciation

We incurred Depreciation cost of ₹ 4.80 Lakhs, which is 0.67% of our total income.

#### Interest and Financial Charges

Financial charges consists of bank charges during the FY 2019 which stood at ₹0.05 Lakhs which was 0.01% of our total income.

#### Profits

Our PBIDT stood at ₹ 45.44 Lakhs for the year ended March 31, 2019 with the PBIDT margin of 6.37%. We recorded PBT of ₹ 40.58 Lakhs and PBT margin stood at 5.69%. We recorded Net Profit of ₹ 30.04 Lakhs. Our Net Profit Margin stood at 4.21%.

#### OTHER MATTERS:

##### 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 18. 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 18, 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 situation, government policies and prices quoted by service providers.

**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.**

For details of the industry *please refer to Chapter titled “Industry Overview” on page 60.*

**7. Status of any publicly announced new products or business segment.**

As an important strategy for our business growth, we intend to offer value added products for better margins. This will include procuring raw and rough diamonds and get them cut and polished on job work basis from third party job workers. Another feature will be providing the customize Jewellery for individual needs.

In addition to our existing business of real estate trading and broking. We are planning to venture into real estate development business in Mumbai and Ahmedabad. We are looking for a adequate site for our first real estate project. The development may either be on our own or on the joint development basis.

We have still not started the above segments and we are in the process of actively perusing the same.

**8. The extent to which business is seasonal.**

Our Company’s business is not seasonal in nature.

**9. Any significant dependence on a single or few suppliers or customers.**

For the financial year period ended March 31, 2019 our top five clients contributed approximately 64.27% of our revenue from operations based on Restated Financial Statements.

For the period ended March 31, 2019 our top five suppliers contributed approximately 44.46% of our total purchases.

**10. Competitive conditions.**

Competitive conditions are as described under the *Chapters titled “Industry Overview” and “Our Business” on pages 60 and 67, respectively.*

## FINANCIAL INDEBTEDNESS

Our Company utilises various credit facilities from banks for conducting its business. Following is a summary of our Company's outstanding borrowings as on March 31, 2019:

Sr. No.	Nature of Borrowing	Amount (₹ in lakhs)
1.	Secured Borrowings	23.06
2.	Unsecured Borrowings	0.00
	<b>Total</b>	<b>23.06</b>

### I. Secured Borrowings

Set forth below is a summary of the outstanding secured borrowings of our Company as on March 31, 2019, together with a brief description of certain significant terms of such financing arrangements:

#### A. Secured Term Loans of our Company

Name of Lender	Type of Loan	Date of Sanction Letter	Amount Sanctioned (₹ in lakhs)	Terms of Re-payment	Amount Outstanding as on March 31, 2019 (₹ in lakhs)	Rate of Interest (%)	Securities Offered
The Kalapur Comm. Co. Op. Bank Limited	Drop Down OD (LAP)*	February 8, 2019	50.00	Principal outstanding post the expiry of the loan	23.06	11.25% p.a. (Fixed) payable on monthly basis, compounded monthly	Property situated at 811, A Wing, Jaswanti Allied Business Centre, Ramchandra Lane Extn., Malad West, Mumbai – 400064, Maharashtra, India  Personal Guarantees of Prashant A. Vora, Seema ben P. Vora and Harsh P. Vora

*\*The OD limit be reduced 15% on yearly basis subject to annual review.*

There has not been any re-scheduling, prepayment, penalty or default by our Company in respect of the term loan detailed above, until the date of this Draft Prospectus.

## SECTION VI – LEGAL AND OTHER INFORMATION OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there is no (i) pending criminal litigation involving our Company, Directors, Promoter or Group Companies; (ii) actions taken by statutory or regulatory authorities involving our Company, Directors, Promoter or Group Companies; (iii) outstanding claims involving our Company, Directors, Promoter or Group Companies for any direct and indirect tax liabilities; (iv) outstanding proceedings initiated against our Company for economic offences; (v) defaults or non-payment of statutory dues by our Company; (vi) material fraud against our Company in the last five years immediately preceding the year of this Draft Prospectus; (vii) inquiry, inspection or investigation initiated or conducted under the Companies Act 2013 or any previous companies law against our Company during the last five years immediately preceding the year of this Draft Prospectus and if there were prosecutions filed (whether pending or not); (viii) fines imposed or compounding of offences for our Company in the last five years immediately preceding the year of this Draft Prospectus; (ix) litigation or legal action against our Promoter by any ministry or Government department or statutory authority during the last five years immediately preceding the year of this Draft Prospectus; (x) pending litigations involving our Company, Directors, Promoter, Group Companies or any other person, as determined to be material by the Company's Board of Directors in accordance with the SEBI (ICDR) Regulations; or (xi) outstanding dues to creditors of our Company as determined to be material by our Company's Board of Directors in accordance with the SEBI (ICDR) Regulations and dues to small scale undertakings and other creditors.

For the purpose of material litigation in (x) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigations to be disclosed by our Company in this Draft Prospectus:

- (a) All criminal proceedings, statutory or regulatory actions and taxation matters, involving our Company, Promoters, Directors, or Group Companies, as the case may be shall be deemed to be material;
- (b) All pending litigation involving our Company, Promoter, Directors, or Group Companies as the case may be, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' (a) the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of ₹10,00,000/- (Rupees Ten lakhs only) or 5% of the net profits after tax of the Company for the most recent audited fiscal period whichever is lower; or (b) where the monetary liability is not quantifiable, each such case involving our Company, Promoter, Directors, or Group Companies, whose outcome would have a bearing on the business operations, prospects or reputation of our Company;
- (c) Notices received by our Company, Promoter, Directors, or Group Companies, as the case may be, from third parties (excluding statutory/regulatory authorities or notices threatening criminal action) shall, in any event, not be evaluated for materiality until such time that the Company / Directors / Promoter / Group Companies, as the case may be, are pleaded as parties in proceedings before any judicial forum.

Our Company, our Promoter and/or our Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoter or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.

Unless otherwise stated, all proceedings are pending as of the date of this Draft Prospectus. All information provided below is as of the date of this Draft Prospectus.

**LITIGATION INVOLVING OUR COMPANY: NIL**

**LITIGATION INVOLVING OUR DIRECTORS: NIL**

**LITIGATION INVOLVING OUR PROMOTER: NIL**

**LITIGATION INVOLVING OUR GROUP ENTITIES: NIL**

**TAX PROCEEDINGS: NIL**

**LEGAL NOTICES RECEIVED BY OUR COMPANY, OUR PROMOTER AND OUR DIRECTORS: NIL**

**MATERIAL FRAUDS AGAINST OUR COMPANY**

There have been no material frauds committed against our Company in the five years proceeding the year of this Draft Prospectus.

**PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES**

There are no proceedings initiated against our Company for any economic offences.

**NON PAYMENT OF STATUTORY DUES**

As on the date of the Draft Prospectus there have been no (i) instances of non-payment or defaults in payment of statutory dues by our Company, (ii) over dues to companies or financial institutions by our Company, (iii) defaults against companies or financial institutions by our Company, or (iv) contingent liabilities not paid for.

**PAST CASES WHERE PENALTIES WERE IMPOSED**

Other than as mentioned above, there are no past cases where penalties were imposed on our Company by concerned authorities/courts.

**OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY**

As on the date of the Draft Prospectus, there is no outstanding litigation against other persons and companies whose outcome could have a material adverse effect on our Company.

**PAST INQUIRIES, INSPECTIONS OR INVESTIGATIONS**

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last five years immediately preceding the year of the Draft Prospectus in the case of our Company, Promoter, Directors. Other than as described above, there have been no prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last five years immediately preceding the year of the Draft Prospectus.

Further, there is no legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoter during the last five years immediately preceding the year of the issue of the Draft Prospectus and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.

**OUTSTANDING DUES TO CREDITORS**

As per the Materiality Policy, our Board has approved that each creditor, to whom our Company individually owes a net aggregate amount that exceeds 5.00% of the trade payables as per the Restated Financial Statements for the most recent financial year, shall be considered as a material creditor of our Company. Our Board has also approved that dues owed by our Company to small scale undertakings as per the Restated Financial Statements for the most recent financial year shall be disclosed in a consolidated manner.

As of March 31, 2019, our Company, in its ordinary course of business, has an aggregate amount of ₹Nil lakhs, which is due towards sundry and other creditors. As per the above policy, consolidated information of outstanding dues, as March 31, 2019 owed to small scale undertakings, material dues to creditors and other dues to creditors separately, giving details of number of cases and aggregate amount for such dues is as under:

<b>Particulars</b>	<b>Number of cases</b>	<b>Amount Outstanding (₹ in lakhs)</b>
Dues to small scale undertakings	Nil	Nil
Material dues to creditors	Nil	Nil
Other dues to creditors	Nil	Nil

Further, our Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the year end together with interest payable as required under the said Act have not been furnished. Our Company does not owe any

small scale industries or any MSMEs any amounts exceeding ₹1.00 lakh which is outstanding for more than 30 days. There are no disputes with such entities in relation to payments to be made to them.

The details pertaining to net outstanding dues towards our creditors are available on the website of our Company at [www.parshvaenterprises.co.in](http://www.parshvaenterprises.co.in). It is clarified that such details available on our website do not form a part of this Draft Prospectus. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at their own risk.

#### **MATERIAL DEVELOPMENTS**

Except as stated in “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*” on page 112, there have not arisen, since the date of the last financial statements disclosed in the Draft Prospectus, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next 12 months.

## GOVERNMENT AND OTHER APPROVALS

We have set out below a list of material approvals, consents, licences and permissions from the governmental and regulatory authorities obtained by our Company which are considered material and necessary for the purpose of undertaking our business activities and operations. In view of the approvals listed herein, our Company can undertake the Offer and its current business activities. Unless otherwise stated, our Company has obtained all material approvals and the same are valid as of the date of this Draft Red Herring Prospectus. The material approvals, consents, licenses, registrations and permits obtained by our Company which enable it to undertake its current business activities are set forth below. Further, as on the date of this Draft Red Herring Prospectus, our Company does not have any material subsidiaries.

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 Regulations and Policies” on page 72.

### A. Corporate / General Authorizations

Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Valid up to
1.	Certificate of Incorporation	Registrar of Companies, Central Registration Centre	U51909MH2017PLC297910	July 27, 2017	Valid until cancelled

### B. Issue Related Authorizations

- Our Board of Directors has, pursuant to a resolution passed at its meeting held on April 2, 2019, authorised the Issue subject to the approval by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 and approvals by such other authorities as may be necessary.
- The shareholders of our Company have authorised the Issue, pursuant to a special resolution under Section 62(1)(c) of the Companies Act, 2013, passed at their EGM held on April 4, 2019.
- Our Company has obtained in-principle approval dated [●] from the BSE Limited.
- Our Company's International Securities Identification Number (“ISIN”) is INE05MV01019.

### C. Business Related Approvals:

Sr. No.	Authorisation Granted	Issuing Authority	Registration No. / Reference No. / License No.	Applicable Act/ Regulation	Date of Issue/ Date of Renewal	Valid up to
1.	Permanent Account Number (PAN)	Income Tax Department, GoI	AAJCP3373R	Income Tax Act, 1961	July 27, 2017	Valid until cancelled
2.	Tax Deduction and Collection Account Number (TAN)	Income Tax Department, GoI	MUMP37928C	Income Tax Act, 1961	July 28, 2017	Valid until cancelled
3.	Form GST REG- 06 Certificate of Registration	Government of India and Government of Maharashtra.	27AAJCP3373R1ZL	Goods and Service Tax Act, 2017	August 22, 2017	Valid until cancelled
4.	Certificate of Registration (Employer)	Department of Goods and Services Tax, Maharashtra	27101668099P	Maharashtra State Tax on Professions, Trades, callings and Employment Act, 1975	March 8, 2019	Valid until cancelled



5.	Certificate of Registration (Employee)	Department of Goods and Services Tax, Maharashtra	99223264920P	Maharashtra State Tax on Professions, Trades, callings and Employment Act, 1975	March8, 2019	Valid until cancelled
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**D. Intellectual Property Registration**

Our Company does not own any trademarks registered under the Trademarks Act

**E. Approvals applied for but not yet received / Renewals made in the usual course of business:**

We have applied for Certificate of Establishment under Maharashtra Shops and Establishment (Regulation of Employment and Condition of Service) Act, 2017 vide application ID no. 890192793/RSWard/COMMERCIAL II dated April 11, 2019.

**F. Material licenses / approvals for which our Company is yet to apply for / Statutory Approvals / Licenses required:**

Nil

## **OUR GROUP COMPANY**

Pursuant to resolution of our Board dated February 5, 2019, and in accordance with the SEBI ICDR Regulations, group companies of our Company shall include (i) companies (other than our Subsidiaries) with which there were related party transactions as per the Restated Financial Information of our Company, as covered under applicable accounting standards; and (ii) such other companies as considered material by our Board. Our Board has approved that for the purpose of disclosure in connection with the Offer, a company shall be considered material and disclosed as a group company of our Company, if (i) such company forms part of the promoter group of our Company; and (ii) companies with whom transactions entered into exceed 5% or more of the revenue of our Company as per the Restated Financial Information of our Company for the last completed Financial Year. Based on the above, as on the date of filing this Draft Prospectus, there are no companies which are considered as material group companies for the purpose of disclosure in this Draft Prospectus.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

#### Corporate Approvals

- Our Board has, pursuant to its resolution dated April 2, 2019, authorized the Issue, subject to the approval of the Equity Shareholders of our Company under Section 62(1)(c) of the Companies Act 2013.
- Our Equity Shareholders have, pursuant to a resolution dated April 4, 2019, under Section 62(1)(c) of the Companies Act, authorized the Issue.

We have received approval from BSE *vide* their letter dated [●], 2019 to use the name of BSE Limited in this Offer Document for listing of our Equity Shares on SME Platform of BSE Limited. BSE Limited is the Designated Stock Exchange.

### Prohibition by SEBI, the RBI or other Governmental Authorities

Our Company, our Promoter, our Directors, the members of the Promoter Group, the persons in control of our Company and each of the Selling Shareholders have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority or court, including any securities market regulator in any jurisdiction.

### Prohibition by RBI

Neither our Company, our Promoter, our Directors, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a wilful defaulter or a fugitive economic offender and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them.

### Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoter and members of the Promoter Group, are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended (“SBO Rules”), to the extent applicable to each of them as on the date of this Draft Prospectus.

### Directors associated with the Securities Market

None of our Directors are, in any manner, associated with the securities market and there has been no action initiated by SEBI against the Directors of our Company in the five years preceding the date of this Draft Prospectus.

### Eligibility for this Issue

Our Company has complied with the conditions of Regulation 230 of SEBI (ICDR) Regulations, 2018 for this Issue.

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 229(1) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018 as we are an Issuer whose post issue paid up capital is less or equal to Rs. 1000 Lakhs and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the “SME Platform of BSE Limited”).

We confirm that:

1. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue will be 100% underwritten and that the LM to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to section titled "*General Information -Underwriting*" beginning on page 37.
2. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013.
3. In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, we shall ensure that our Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Prospectus.
4. In accordance with Regulation 261 (1) of the SEBI (ICDR) Regulations, we hereby confirm that we shall enter into an agreement with the Lead Manager and with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of BSE. For further details of the arrangement of market making please refer to section titled "*General Information - Details of the Market Making Arrangements for this Issue*" beginning on page 37.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, 2018 as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the SME Platform of the BSE:-

- a) There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to BSE Limited for listing on SME Platform of BSE Limited.
- b) Our Company does not has a track record of atleast three years. However as the BSE SME Platform requirements our Company has been funded by way of loan of Rs. 50.00 Lakhs from The Kalapur Commercial Co Op. Bank Ltd.
- c) Our Company has positive cash accruals (earnings before depreciation and tax) from operations.
- d) Our net-worth as on March 31, 2019 is ₹ 320.16 lakhs.
- e) Our net tangible assets as on March 31, 2019 is ₹ 323.41 lakhs.
- f) As on the date of this Draft Prospectus, our Company has a paid up capital of ₹220.00 lakhs and the Post Issue Paid-up Equity Share Capital will be ₹301.00 lakhs which is less than ₹2,500 lakhs.
- g) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- h) There is no winding up petition against the Company, which has been admitted by the court or a liquidator has not been appointed.
- i) We confirm that no material regulatory or disciplinary action by a stock exchange or regulatory authority has been taken in the past three years against our Company.
- j) We have a website: [www.parshvaenterprises.co.in](http://www.parshvaenterprises.co.in).

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- The Draft Prospectus has been filed with BSE and our Company has made an application to BSE for listing of its Equity Shares on the BSE SME platform. BSE is the Designated Stock Exchange.

- Our Company is in the process of entering into an agreement with both the depositories for dematerialisation of its Equity Shares already issued and proposed to be issued.
- The entire pre-Issue capital of our Company has shares fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
- The entire Equity Shares held by the Promoters will be in dematerialised form before opening of the Issue for subscription.
- The requirement of firm arrangements of finance through verifiable means towards seventy five per cent of the stated means of finance for funding from the issue proceeds, excluding the amount to be raised through the proposed public offer or through existing identifiable internal accruals is not applicable to our Company. For details, please refer the chapter “Objects of the Issue” on page 51.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- (a) Neither our Company nor our Promoters, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
- (c) Neither our Company nor our Promoters or Directors is a wilful defaulter.
- (d) None of our Promoters or Directors is a fugitive economic offender.

We further confirm that we shall be complying with all other requirements as laid down for such offer under Chapter IX of 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 eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS OFFER DOCUMENT, THE LEAD MANAGER, INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND**

**TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●] IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2018.**

**THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.**

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Mumbai in terms of sections 26, 32 and 33 of the Companies Act, 2013.

#### **Disclaimer from our Company and the Lead Manager**

Our Company, its Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MOU / Issue Agreement entered into between the Lead Manager and our Company dated April 10, 2019 and the Underwriting Agreement dated April 10, 2019 entered into between the Underwriter and our Company and the Market Making Agreement dated April 13, 2019 entered into among the Lead Manager, the Market Maker and our Company.

All information shall be made available by our Company and the Lead Manager to the Applicants and public at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for our Company, our Group Entities and our respective affiliates and associates in the ordinary course of business, and have engaged, or may in the future engage in commercial banking and investment banking transactions with our Company or our Group Entities or their respective affiliates or associates for which they have received, and may in future receive compensation.

#### **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 applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 2 (72) of the Companies Act, 2013, scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, Alternative Investment Fund, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹2,500 lakhs, pension fund with minimum corpus of ₹2,500 lakhs, National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and Insurance funds set up and managed by the Department of Posts, India, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company this Draft Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Maharashtra, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Prospectus has been filed with BSE Limited for its observations and BSE Limited

shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this 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 hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **Disclaimer Clause of the SME Platform of BSE Limited**

As required, a copy of the Draft Prospectus shall be submitted to the SME Platform of BSE. The Disclaimer Clause as intimated by the SME Platform of BSE Limited to us, post scrutiny of the Draft Prospectus, shall be included in the Prospectus prior to the filing with RoC.

#### **Track records of past issues handled by Inventure Merchant Banker Services Private Limited**

For details regarding the track record of the Inventure Merchant Banker Services Private Limited, as specified under Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to the website of Inventure Merchant Banker Services Private Limited at [www.inventuremerchantbanker.com](http://www.inventuremerchantbanker.com)

#### **Listing**

The Equity Shares of our Company are proposed to be listed on SME Platform of BSE. Our Company has obtained in-principle approval from BSE by way of its letter dated [●] for listing of equity shares on SME Platform of BSE.

BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Prospectus. If such money is not repaid within the prescribed time then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within Six (6) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Offer within Six (6) Working Days from the Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period Subject to applicable law.

#### **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*

c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.*”

The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term 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**

### **Consents**

Consents in writing of (a) Our Directors, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Banker to the Company; (b) Lead Manager, Registrar to the Issue, Banker to the Issue/ Sponsor Bank\*, Legal Advisor to the Issue, Underwriter to the Issue and Market Maker to the Issue to act in their respective capacities have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 26 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

*\*The aforesaid will be appointed prior to filing of Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.*

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, M/s. Choudhary Choudhary & Co., Chartered Accountants, have agreed to provide their written consent to include its report dated April 8, 2019 on the Statement of Possible Tax Benefits, which may be available to the Company and its shareholders, included in this Draft Prospectus. M/s. Choudhary Choudhary & Co., Chartered Accountants also have provided their written consent to the inclusion of their reports dated April 8, 2019 on the Restated Financial Statements of our Company in the form and context in which they appear therein and such consents and reports have not been withdrawn up to the time of filing of this Draft Prospectus.

## **Expert Opinion**

Except for the reports in the section “Financial Information of the Company” on Restated Financial Information and “Statement of Tax Benefits” on page 93 and page 57, from the Statutory Auditors, our Company has not obtained any expert opinions.

## **Previous Rights and Public Issues during the Last Five Years**

We have not made any previous rights and/or public issues during the last five years, and are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

## **Commission and Brokerage Paid on Previous Issues of our Equity Shares**

Since this is the Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

## **Previous capital issue during the last three years by listed Group Companies and Subsidiary of our Company**

None of the Group Companies of our Company are listed. Further, none of our Group Companies have made any public or rights issue of securities in the preceding three years.

## **Performance vis-à-vis objects**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

None of the Group Entities has made public issue of equity shares during the period of ten years immediately preceding the date of filing draft offer document with the BSE Limited.



## **Details of Fees Payable**

### **Fees Payable to the Lead Manager**

The total fees payable to the Lead Manager (including underwriting fees) will be as per the Memorandum of Understanding and Underwriting Agreement among our Company and the Lead Manager, copy of which is available for inspection at the Registered Office of our Company.

### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar to the Issue dated April 10, 2019 a copy of which is available for inspection at our Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/ speed post/ under certificate of posting.

### **Fees Payable to Others**

The total fees payable to the Legal Advisor, Statutory Auditor and Advertisers, etc. will be as per the terms of their respective engagement letters, if any.

**Statement on Price Information of Past Issues handled by Inventure Merchant Banker Services Private Limited:-**

Price information of past issues handled by Inventure Merchant Banker Services Private Limited

Sr. No.	Issue Name	Issue Size (Cr)	Issue Price (Rs.)	Listing date	Opening price on listing date (Rs.)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1	Univastu India Limited#	5.99	40	July 27, 2017	48.00	8.46%(-1.63%)	17.91% (2.74%)	76.87% (10.61%)
2	Vanta Bio Science Limited*	7.56	50	October 6, 2017	51.10	21.51% (5.88%)	29.98% (6.78%)	-1.39% (3.79%)
3	Secur Credentials Limited#	30.07	205	November 13, 2017	208.00	11.46% (-0.31%)	-4.73% (2.25%)	-20.95% (5.69%)
4	MRC Exim Limited*	4.50	15	December 18, 2017	15.00	-27.12% (4.40%)	-53.12 (-1.27%)	-54.40% (6.01%)
5	Rithwik Facility Management Services Ltd.*	4.05	50	January 11, 2018	60.00	-17.49% (-1.44%)	-16.50% (-1.63%)	-0.99% (5.03%)
6	CRP Risk Management Limited	30.82	60	January 31, 2018	48.00	21.73% (-5.33%)	17.81% (-2.24%)	-11.47% (4.25%)
7	Penta Gold Limited#	13.32	37	April 25, 2018	38.00	0.00% (0.33%)	0.00% (5.33%)	-8.11% (-3.08%)

#source: [www.nseindia.com](http://www.nseindia.com) / \*source: [www.bseindia.com](http://www.bseindia.com)

## Note:-

1. The BSE Sensex and Nifty are considered as the Benchmark Index
2. Prices on BSE/NSE are considered for all of the above calculations
3. In case the 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day is a holiday, closing price on BSE/NSE of the previous trading day has been considered.
4. In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> days, scrips are not traded then closing price on BSE/NSE of the previous trading day has been considered.

*Summary statement of price information of past issues handled by Inventure Merchant Banker Services Private Limited*

Financial Year	Total no. of IPOs	Total Funds Raised (₹ Cr.)	Nos. of IPOs trading at discount as on 30 <sup>th</sup> calendar day from listing			Nos. of IPOs trading at premium as on 30 <sup>th</sup> calendar day from listing			Nos. of IPOs trading at discount as on 180 <sup>th</sup> calendar day from listing			Nos. of IPOs trading at premium as on 180 <sup>th</sup> calendar day from listing		
			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	--	--	--	--	--	--	--	--	--	--	--	--	--	--
2016-17	--	--	--	--	--	--	--	--	--	--	--	--	--	--
2017-18	6	82.99	--	1	1	--	--	4	1	--	4	1	--	--
2018-19	1*	13.32	--	--	--	--	--	--	--	--	1	--	--	--

\*As on 30th trading day the closing price of the script Penta Gold Limited was at par with the issue price. Hence, was not considered for counting the number of IPOs trading at discount and premium.

### **Outstanding Debentures or Bond Issues or Redeemable Preference Shares**

As on the date of this Draft Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

### **Partly Paid-Up Shares**

As on the date of this Draft Prospectus, there are no partly paid-up Equity Shares of our Company.

### **Outstanding Convertible Instruments**

Our Company does not have any outstanding convertible instruments as on the date of filing this Draft Prospectus.

### **Option to Subscribe**

- a. Investors will get the allotment of specified securities in dematerialization form only.
- b. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.

### **Stock Market Data for our Equity Shares**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

### **Investor Grievances and Redressal System**

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks 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. Investors can contact the Company Secretary and 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, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

SEBI has launched a centralized web based complaints redress system “SCORES”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in). Our Company shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

The Board has constituted a Stakeholders Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For further details, please refer to the “*Our Management*” on page 77.

As on the date of this Draft Prospectus, there are no pending investor complaints. Our Company has not received any investor complaint in the three years prior to the filing of this Draft Prospectus.

Our Company has also appointed Sneha Y. Shah, Company Secretary of our Company as the Compliance Officer for the Offer and she may be contacted in case of any pre-Issue or post-Issue related problems. For details, see “*General Information*” beginning on page 33.

Our Company, Lead Manager and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

Our Group Companies and our Subsidiaries are not listed on any stock exchange.

**Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of nonroutine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

## SECTION VII – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“General Information Document”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations and to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations 2015 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the website of the Stock Exchange and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

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 may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized 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 in the Issue shall be subject to the provisions of the Companies Act and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer “Main Provisions of Articles of Association” on page 162.

#### Authority for the Issue

This Issue has been authorized by a resolution of the Board passed at their meeting held on April 2, 2019 subject to the approval of shareholders through a special resolution to be passed pursuant to section 62 (1) (c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the EGM of the Company held on April 4, 2019.

#### Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, 1956 and Companies Act, 2013, Article of Association, the provision of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 any other rules, regulations or guidelines as may be issued by Government of India in connection to recommendation by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividend, in cash as per the provisions of the Companies Act and our Articles of Association.

#### Face Value and Issue Price per Share

The face value of the Equity Shares is ₹10.00 each and the Issue Price is ₹45.00 per Equity Share.

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under “Basis for Issue Price” on page 55. At any given point of time there shall be only one denomination for the Equity Shares.

## **Compliance with SEBI (ICDR) Regulations**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, the terms of the listing agreements with the Stock Exchange(s) 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 “*Main Provisions of Articles of Association*” on page 162.

## **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Maharashtra, India.

**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.**

**The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

## **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint – tenants with benefits of survivorship.

## **Allotment only in Dematerialised Form**

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated February 14, 2019 amongst NSDL, our Company and the Registrar to the Offer; and
- Agreement dated [●], 2019 amongst CDSL, our Company and the Registrar to the Offer.

## **Market Lot and Trading Lot**

The trading of the Equity Shares will happen in the minimum contract size of 3,000 Equity Shares and the same may be modified by the SME platform of BSE from time to time by giving prior notice to investors at large.

## **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013 the sole or first Applicant, along with other joint Applicants, 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 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any person who becomes a nominee by virtue of the provisions 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 in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

#### **Minimum Number of Allottees**

Further in accordance with the Regulation 268 of SEBI (ICDR) Regulations, the minimum number of allottees in this Offer shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Offer and the monies blocked by the SCSBs and sponsor bank, shall be unblocked within 4 working days of closure of Offer.

#### **Period of the Subscription list of the Public Issue**

<b>Event</b>	<b>Indicative Date</b>
Bid/Offer Opening Date	[●]
Bid/Offer Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Refunds	[●]
Credit of Equity Shares to Demat Accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

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

#### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 40 of the Companies Act, 2013.

In terms of Regulation 260 of the SEBI ICDR Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled “*General Information – Underwriting*” on page 37.



Further, in accordance with Regulation 267 of the SEBI ICDR Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

### **Arrangements for Disposal of Odd Lots**

The trading of the equity shares will happen in the minimum contract size of 3,000 shares. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of BSE Limited.

### **Option to receive Equity Shares in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, the Equity Shares in the Issue shall be allotted only in dematerialised form. Further, as per the SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchange.

### **Migration to Main Board**

In accordance with the BSE Limited Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the SME Platform of the BSE Limited for a minimum period of 2 (Two) years from the date of listing and only after that it can migrate to the Main Board of BSE Limited as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations. Our Company may migrate to the main board of BSE Limited from the SME Platform on a later date subject to the following:

- a) If the Paid up Capital of the company is likely to increase above ₹25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE Limited for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b) If the Paid up Capital of the company is more than ₹10 crores but below ₹25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **Market Making**

The shares issued and transferred through this Offer are proposed to be listed on the BSE SME with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on the SME Platform of BSE Limited. For further details of the market making arrangement please refer to chapter titled “General Information” beginning on page 33 of this Draft Prospectus.

### **As per the extent Guideline 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, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

### **New Financial Instruments**

The Issuer Company is not issuing any new financial instruments through this Issue.

**Application by Eligible NRI's, FPI's, VCF's, AIF's registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

**Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for the lock-in of the pre-Issue capital of our Company, Promoters' minimum contribution as provided in "*Capital Structure*" on page 41, and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please refer "*Main Provisions of Articles of Association*" on page 162.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue face value capital is less than or equal to ten crores rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an issue please refer "*Terms of the Issue*" and "*Issue Procedure*" on page 134 and 139, respectively.

### Following is the Issue structure:

Public Issue of 8,10,600 Equity Shares of face value of ₹10.00 each of our Company for cash at a price of ₹45 per Equity Share (including a share premium of ₹35 per Equity Share) ("Issue Price") aggregating to ₹364.50 lakhs ("the Issue") of which 42,000 Equity Shares aggregating to ₹18.90 lakhs will be reserved for subscription by Market Maker ("Market Maker Reservation Portion"). The Issue less the Market Maker Reservation Portion i.e. issue of 7,68,000 Equity Shares of face value of ₹10.00 each at an Issue Price of ₹45 per equity share aggregating to ₹345.60 lakhs is hereinafter referred to as the "Net Issue". The Issue and the Net Issue will constitute 26.91% and 25.51%, respectively of the post issue paid-up equity share capital of our Company.

Particulars	Net Issue to Public <sup>^</sup>	Market Maker reservation portion
<b>Number of Equity Shares</b>	7,68,000 Equity Shares	42,000 Equity Shares
<b>Percentage of Issue Size available for allocation</b>	94.81% of the Issue Size  (50% for the Retail Individual Investors and the balance 50% for Other than Retail Individual Investors).	5.19% of the Issue Size
<b>Basis of Allotment/Allocation if respective category is oversubscribed</b>	Proportionate subject to minimum allotment of 3,000 Equity Shares and Further allotment in multiples of 3,000 Equity Shares each.  For further details please refer to the section titled " <i>Issue Procedure</i> " on page 142.	Firm Allotment
<b>Mode of Application*</b>	All Applications by the Applicants must be made compulsorily through ASBA mode (Online or Physical).  However, Retail Individual Investors may either apply through ASBA process or by using UPI ID for payment.	Through ASBA mode
<b>Minimum Application Size</b>	<b><u>For OIB and NII:</u></b>  Such number of Equity Shares in multiples of 3,000 Equity Shares at an Issue price of ₹45 each such that the Application Value exceeds ₹2,00,000  <b><u>For Retail Individuals:</u></b>  3,000 Equity Shares at an Issue price of ₹45 each.	42,000 Equity Shares at an Issue price of ₹45 each
<b>Maximum Application</b>	<b><u>For OIB and NII:</u></b> The maximum application size is the Net Issue to public subject to limits the	42,000 Equity Shares at an Issue price of ₹45 each

Particulars	Net Issue to Public <sup>^</sup>	Market Maker reservation portion
	investor has to adhere under the relevant laws and regulations as applicable.  <b><u>For Retail Individuals:</u></b> 3,000 Equity Shares at an Issue price of ₹45 each.	
<b>Mode of Allotment</b>	Dematerialized Form	Dematerialized Form
<b>Trading Lot</b>	3,000 Equity Shares	3,000 Equity Shares. However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations.
<b>Terms of payment</b>	Full Application Amount shall be blocked by the SCSBs in the bank account of the ASBA Applicant that is specified in the Application Form at the time of submission of the Application Form.	

*Public issue of 8,10,000 Equity Shares of ₹10.00 each for cash at a price of ₹45 per Equity Share of our Company aggregating to ₹364.50 lakhs is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details please refer 'Terms of the Issue' on page 134.*

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

- d) Minimum fifty percent to retail individual investors; and
- e) Remaining to:
  - i. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- f) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

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

*\* 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. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.*

### **Withdrawal of the Issue**

The Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

1. The final listing and trading approvals of BSE Limited for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment and,
2. The final ROC approval of the Prospectus after it is filed with the ROC.

In case, the Company wishes to withdraw the Issue after Issue opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

### Issue Programme

<b>Issue Opening Date</b>	●
<b>Issue Closing Date</b>	●

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time).

Standardization of cut-off time for uploading of Applications on the Issue Closing Date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of Applications.
- b) A standard cut-off time of 4.00 p.m. for uploading of Applications received from other than Retail Individual Applicants.
- c) A standard cut-off time of 5.00 p.m. for uploading of Applications received from only Retail Individual Applicants, which may be extended up to such time as deemed fit by BSE Limited after taking into account the total number of Applications received up to the closure of timings and reported by Lead Manager to BSE Limited within half an hour of such closure.

It is clarified that Applications not uploaded, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per physical application form of that Applicant may be taken as the final data for the purpose of Allotment.

Applications will be accepted only on Working days i.e. all days excluding Saturdays, Sundays and public holidays, on which the commercial banks in the city as notified in the offer document are open for business.

## ISSUE PROCEDURE

*All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“General Information Document”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations and to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations 2015 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is available on the website of the Stock Exchange and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.*

*Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.*

*Further, our Company and the Lead Manager do not accept any responsibility for any adverse occurrences consequent to the implementation of the UPI mechanism for application in this Issue.*

### **FIXED PRICE ISSUE PROCEDURE**

The Issue is being made in compliance with the provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018 and through the Fixed Price Process. As per Regulation 253(2) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue the allocation in the net offer to the public category shall be made as follows:

- g) Minimum fifty percent to retail individual investors; and
- h) Remaining to:
  - i. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- i) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

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

Applicants are required to submit their Applications to the Application collecting intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registered 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.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spillover from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

**Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant’s depository account including DP ID, PAN, UPI ID (in case of RIBs using the UPI mechanism) and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be**

**rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchange.**

**Phased implementation of UPI for Bids by Retail Individual Bidders as per the UPI Circular**

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 (the “UPI Circular”) in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circular, 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 RIBs 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 payment mechanism, the UPI Circular proposes to introduce and implement the UPI payment mechanism in three phases in the following manner:

- a) **Phase I:** This phase has become applicable from January 1, 2019 and SEBI vide circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 has extended the implementation of Phase I till June 30, 2019. Under this phase, a RIB 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.
- b) **Phase II:** This phase will commence upon completion of Phase I and will continue for a period of three months or floating of five main board public issues, whichever is later. Under this phase, submission of the Bid cum Application Form by a RIB through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.
- c) **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 UPI payment. The issuers will be required 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 RIBs into the UPI mechanism.

**APPLICATION FORM**

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE Limited (www.bseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

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. Retail Individual Investors using UPI mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB.

Category	Colour <sup>(1)</sup>
Indian Public / eligible NRI’s applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI’s, FPI’s, FII’s, FVCI’s, etc. applying on a repatriation basis (ASBA)	Blue

*(1) Excluding electronic Application Form.*

RIBs using UPI mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the application form, respective intermediary shall capture and upload the relevant bid details, including UPI ID, in the electronic bidding system of stock exchange(s).

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Prospectus. An Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called “Designated Intermediaries”)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained.
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity)(‘broker’)
4.	A depository participant (‘DP’)(whose name is mentioned on the website of the Stock Exchange as eligible for this activity)
5.	A registrar to an issue and share transfer agent (‘RTA’)(whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as ‘Intermediaries’), and intending to use UPI, shall also enter their UPI ID in the bid-cum-application form.

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 proof of having accepted the application form, in physical form or electronic mode respectively.

The upload of the details in the electronic bidding system of the stock exchange will be done by:

<b>For the applications submitted by the 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 exchange and may begin blocking funds available in the Bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs without use of UPI for payment	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of the Issue.
For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment	<p>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).</p> <p>Stock Exchange shall share bid details including the UPI ID with Sponsor Bank on a continuous basis, to enable Sponsor Bank to initiate mandate request on investors for blocking of funds.</p> <p>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.</p>

Stock exchange(s) shall validate the electronic details with depository’s records for DP ID/Client ID 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(s) shall allow modification of selected fields viz. DP ID/Client ID, Bank code and Location code, in the bid details already uploaded.

### Who Can Apply?



1. Indian nationals resident in India, who are not minors (except through their Legal Guardians), in single or joint names (not more than three);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: —Name of Sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in equity shares;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, cooperative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
7. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB portion;
8. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Applications portion;
9. Venture Capital Funds registered with SEBI;
10. Foreign Venture Capital Investors registered with SEBI;
11. Eligible Qualified Foreign Investors;
12. Foreign Nationals and other non-residents (subject to eligibility norms specified in SEBI FPI Regulations, 2014 and other applicable provisions);
13. Multilateral and bilateral development financial institutions;
14. State Industrial Development Corporations;
15. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorized under their respective constitutions to hold and invest in equity shares;
16. Scientific and/or industrial research organizations authorized in India to invest in equity shares;
17. Insurance companies registered with Insurance Regulatory and Development Authority;
18. Provident Funds with a minimum corpus of ₹250 million and who are authorised under their constitution to hold and invest in equity shares;
19. Pension Funds with a minimum corpus of ₹250 million and who are authorised under their constitution to hold and invest in equity shares;
20. Limited liability partnerships;
21. National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the Government of India, published in the Gazette of India;
22. Nominated Investor and Market Maker;
23. Insurance funds set up and managed by the army, navy or air force of the Union of India and by the Department of Posts, India;

24. Any other person eligible to Apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
25. As per the existing policy of the Government of India, OCBs cannot participate in this Issue. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.
26. Applications not to be made by:
  1. Minors (except through their Guardians)
  2. Partnership firms or their nominations
  3. Overseas Corporate Bodies

**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.**

#### **Maximum and Minimum Application Size**

a) For Retail Individual Applicants:

The Application must be for a minimum of 3,000 Equity Shares and in multiples of 3,000 Equity Shares thereafter, so as to ensure that the Application Amount payable by the Applicant does not exceed ₹2,00,000. In case of revision of the Application, the Retail Individual Applicants have to ensure that the Application Amount does not exceed ₹2,00,000.

b) For Other Applicants [Non-Institutional Applicants and Qualified Institutional Buyer(s) (QIB)]:

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹2,00,000 and in multiples of 3,000 Equity Shares thereafter. Application cannot be submitted for more than the Issue Size. However, the maximum application size by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Applicant cannot withdraw or lower the size of their Application at any stage and are required to pay the entire Application Amount upon submission of the Application.** Under the existing SEBI regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Application, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

The above Information is given for the benefits of the Applicants. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

#### **Participation by associates and affiliates of the Lead Manager and the Syndicate Members**

The Lead Manager shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue in non Retail Portion, where the allocation is on a proportionate basis and such subscription may be on their own account or on the behalf of their clients.

#### **Option to subscribe in the Issue**

- a) As per Section 29(1) of the Companies Act, 2013, allotment of Equity Shares shall be dematerialized form only. Investors will not have the option of getting of specified securities in physical form. However, they may get the specified securities re-materialized subsequent to allotment.
- b) The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.

- c) A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable laws.

### **Applications by Mutual Funds**

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to reject the Application without assigning any reason thereof.

Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

### **Applications by Eligible NRIs**

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (**NRE**) accounts, or Foreign Currency Non-Resident (**FCNR**) Accounts, and eligible NRI Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (**NRO**) accounts for the full application amount, at the time of the submission of the Application Form.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour). Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

### **Application by FPIs (including FIIs)**

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the Issue until the expiry of its registration with SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Accordingly, such FIIs can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the purchase of Equity Shares and total holding by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% 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 up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based

funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) 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. Further, pursuant to a Circular dated November 24, 2014 issued by the SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. Further, where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations shall apply on the aggregate of FPI investments and overseas direct investment positions held in the underlying Indian company.

### **Applications by SEBI registered Venture Capital Funds, Alternative Investment Fund (AIF) and Foreign Venture Capital Investors**

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended, (the “**SEBI VCF Regulations**”) and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended, among other things prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (the “**SEBI AIF Regulations**”) prescribe, amongst others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

**Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.**

### **Applications by Limited Liability Partnerships**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. Limited Liability Partnerships can participate in the Issue only through the ASBA Process.

### **Applications by Insurance Companies**

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 (“**IRDA Investment Regulations**”), as amended, as amended, are broadly set forth below:

- 1) Equity shares of a company: the least of 10.00% of the investee company's subscribed capital (face value) or 10.00% of the respective fund in case of life insurer or 10.00% of investment assets in case of general insurer or reinsurer;
- 2) The entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) The industry sector in which the investee company belongs to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

### **Applications under Power of Attorney**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹25 Crores a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a). With respect to applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (b). With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (c). With respect to applications made by provident funds with minimum corpus of ₹25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹25 Crores, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

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, the lead manager may deem fit.

***Our 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 and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.***

***The above information is given for the benefit of the Applicants. The Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.***

### **Applications by Provident Funds / Pension Funds**

In case of Applications made by provident funds with minimum corpus of ₹25 crores (subject to applicable law) and pension funds with minimum corpus of ₹ 25 crores, a certified copy of certificate from a chartered accountant certifying

the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

### **Applications by Banking companies**

In case of Applications made by banking companies registered with RBI, certified copies of:

- (i) The certificate of registration issued by RBI, and
- (ii) The approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason therefore.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Circular – Para-banking Activities dated July 1, 2015 is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

### **Applications by Self Certified Syndicate Banks (SCSBs)**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

### **Information for the Applicants**

1. Our Company and the Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Application Form along with Abridged Prospectus and copies of the Prospectus will be available with the Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Application Forms will also be available on the websites of the Stock Exchange.
4. Any applicant who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office.
5. Applicants who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected. The Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account or alternatively, the Retail Individual Applicants wishing to apply through UPI Channel, may provide the UPI ID and validate the blocking of the funds and the Application Forms that do not contain such details are liable to be rejected.
7. Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the

SCSBs or other Designated Intermediaries (Other than SCSBs) , the relevant SCSB , shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form, before entering the ASBA application into the electronic system.

8. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding persons resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be “suspended for credit” and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.
9. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange. Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

#### **ISSUE PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA) 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 this 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.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

#### **Method and Process of Applications**

1. Applicants are required to submit their applications during the Issue Period only through the Designated Intermediaries.
2. The Issue Period shall be for a minimum of three (3) Working Days and shall not exceed ten (10) Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding ten (10) Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. 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 upload of the details in the electronic bidding system of stock exchange and post that blocking of funds will be done by as given below:

For the applications submitted by the investors to SCSB	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the Bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs without use of UPI for payment	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a

	schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of the Issue.
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6. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
7. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
8. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
9. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

### Terms of payment

The entire Issue price of ₹ 45 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 or Sponsor Bank to unblock the excess amount paid on Application to the Applicants.

SCSBs or Sponsor Bank 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 or Sponsor Bank.

The applicants should note that the arrangement with Banker to the Issue or the Registrar or Sponsor Bank 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 for Applicants

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form sent by the Sponsor Bank. The SCSB or Sponsor Bank 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 Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give 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.

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) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public offer may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

### Electronic Registration of Applications



The Designated Intermediary may register the Applications using the on-line facilities of the Stock Exchange. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities on a regular basis before the closure of the issue.

On the Issue Closing Date, the Designated Intermediaries may upload the applications till such time as may be permitted by the Stock Exchange.

c) Only Applications that are uploaded on the Stock Exchange Platform are considered for allocation/Allotment. In the Phase 1, the Designated Intermediaries are given till 1:00 pm on the day following the Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Issue Period after which the Stock Exchange send the bid information to the Registrar to the Issue for further processing.

### **Other Instructions**

#### **Joint Applications in the case of Individuals**

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

#### **Multiple Applications**

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. 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 our absolute discretion, all or any multiple Applications in any or all categories.

#### **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 this information 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.

### **Allocation of Equity shares**

1) The Issue is being made through the Fixed Price Process wherein 42,000 Equity Shares shall be reserved for Market Maker. 3,84,000 Equity Shares having face value of ₹10.00 each at a price of ₹45 per Equity Share aggregating ₹172.80 lakhs will be available for allocation to Retail Individual Investors. 3,84,000 Equity Shares having face value of ₹10.00 each at a price of ₹45 per Equity Share aggregating ₹172.80 lakhs will be available for allocation to other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for.

2) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

3) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

4) In terms of SEBI Regulations, Non Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.

5) Allotment status details shall be available on the website of the Registrar to the Issue.

### **Signing of Underwriting Agreement**

Vide an Underwriting Agreement dated April 10, 2019 this issue is 100% Underwritten.

### **Filing of the Prospectus with the ROC**

The Company will file a copy of the Prospectus with the ROC in terms of 26 of the Companies Act, 2013.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 the Company shall, after registering the Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation.

### **Issuance of Allotment Advice**

1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.

2) 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. The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants 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.

### **Designated Date**

On the Designated Date, the Registrar to the Offer shall instruct the SCSBs or Sponsor Bank to unblock funds represented by allocation of Equity Shares from ASBA Accounts into the Public Offer Account.

### **GENERAL INSTRUCTIONS**

**Do's:**

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Applicant shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application.
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account or UPI ID linked Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process the SCSBs where the Applicant has a bank account or a UPI ID linked Bank Account, the Registered Broker (at the Broker Centre's), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Instruct your respective Banks to release the funds blocked in the ASBA Account/UPI ID linked Bank Account under the ASBA process;
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder.
- Ensure that you have mentioned the correct bank account number in the Application Form and in case of Retail Individual Applicants applying through UPI Channel, ensure that you have mentioned the correct UPI ID;
- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- Ensure that you have correctly signed the authorization/ 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/ UPI ID linked Bank Account, as the case may be, equivalent to the Application Amount mentioned in the Application Form;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- Do not use third party bank account or third party UPI ID linked Bank Account for making the Application;
- Do not apply on another Application Form after you have submitted an application to the Designated Intermediary;
- Do not pay the Application Price in cash, cheque, by money order or by postal order or by stock invest;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs.2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a colour prescribed for another category of Applicant; and
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.

### **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. Applications made using a third party bank account or using third party UPI ID linked bank account are liable to be rejected. Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will 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 Exchange, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the website of BSE i.e. [www.bseindia.com](http://www.bseindia.com). With a view to broad base the reach of Investors by substantial), enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect front January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed is available on the website of BSE i.e. [www.bseindia.com](http://www.bseindia.com)

For details of instruction in relation to the Application Form, Applicants may refer to the relevant section of GID.

### **Applicant's Depository Account and Bank Details**

Please note that, providing bank account details, PAN Nos, UPI ID (if applicable), Client ID and DP ID 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 as entered into the Stock Exchange online system, the Registrar to the Issue will obtain front the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. 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.

### **Submission of Application Form**

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

### **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 Designated Intermediary where the Application was submitted thereof 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 Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 6 working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within three (3) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. 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.

### **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*

*(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of Companies Act, 2013 and shall be treated as Fraud."*

### **Undertakings by our Company**

We undertake as follows:

- 1) That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within the period prescribed by the Board;
- 3) That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
- 4) Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 5) That no further Issue of Equity Shares shall be made till the Equity Shares issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.;
- 6) That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
- 7) That if our Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;

- 8) If our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh Draft Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Offer;

#### **UTILIZATION OF THE ISSUE PROCEEDS**

The Board of Directors of our Company certifies that:

1. all monies received out of the Issue shall be 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 referred above shall be disclosed and continue to be disclosed till the time any part of the Offer Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company 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 separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP").

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The DIPP, has issued consolidated FDI Policy Circular of 2017 ("FDI Policy 2017"), with effect from August 28, 2017, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The RBI also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

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.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include:

- (i) where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that:
  - (a) the requisite approval of the Government has been obtained; and
  - (b) the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time.;
- (ii) where the transfer of shares attract SEBI (SAST) Regulations subject to the adherence with the pricing guidelines and documentation requirements as specified by Reserve Bank of India from time to time;
- (iii) where the transfer of shares does not meet the pricing guidelines under the FEMA, 1999 provided that:
  - (a) The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, 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, conditionalities (such as minimum capitalization, pricing, etc.), reporting requirements, documentation etc., are complied with.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

#### **Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

#### **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% and 24% 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.

#### **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.

The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% 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% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

#### **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 the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and 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 VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below.

Sr. No	Particulars	
	<b>CAPITAL</b>	
3.	The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.	<b>Authorized Capital.</b>
4.	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.	<b>Increase of capital by the Company how carried into effect</b>
5.	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	<b>New Capital same as existing capital</b>
6.	The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.	<b>Non Voting Shares</b>
7.	Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.	<b>Redeemable Preference Shares</b>
8.	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.	<b>Voting rights of preference shares</b>
9.	On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect: (a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption; (b) No such Shares shall be redeemed unless they are fully paid; (c) Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed; (d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and	<b>Provisions to apply on issue of Redeemable Preference Shares</b>

	(e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital	
10.	<p>The Company may (subject to the provisions of sections 52, 55, 66, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account</p> <p>In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>	<b>Reduction of capital</b>
11.	<p>Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.</p>	<b>Debentures</b>
12.	<p>The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.</p>	<b>Issue of Sweat Equity Shares</b>
13.	<p>The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.</p>	<b>ESOP</b>
14.	<p>Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.</p>	<b>Buy Back of shares</b>
15.	<p>Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.</p>	<b>Consolidation, Division Cancellation</b> <b>Sub-And</b>
16.	<p>Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.</p>	<b>Issue of Depository Receipts</b>
17.	<p>Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.</p>	<b>Issue of Securities</b>
	<b>MODIFICATION OF CLASS RIGHTS</b>	

18.	<p>(a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, 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 separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting.</p> <p>Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.</p>	<b>Modification of rights</b>
	(b) The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.	<b>New Issue of Shares not to affect rights attached to existing shares of that class.</b>
19.	Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. That option or right to call of shares shall not be given to any person except with the sanction of the Issuer in general meetings.	<b>Shares at the disposal of the Directors.</b>
20.	The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.	<b>Power to issue shares on preferential basis.</b>
21.	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	<b>Shares should be Numbered progressively and no share to be subdivided.</b>
22.	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.	<b>Acceptance of Shares.</b>
23.	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.	<b>Directors may allot shares as full paid-up</b>
24.	The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.	<b>Deposit and call etc. to be a debt payable immediately.</b>
25.	Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares	<b>Liability of Members.</b>

	which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.	
26.	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.	<b>Registration of Shares.</b>
	<b>RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT</b>	
27.	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act	
	<b>CERTIFICATES</b>	
28.	<p>(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.</p> <p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.</p> <p>(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.</p>	<b>Share Certificates.</b>

29.	<p>If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.</p> <p>The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p>	<b>Issue of new certificates in place of those defaced, lost or destroyed.</b>
30.	(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.	<b>The first named joint holder deemed Sole holder.</b>
	(b) The Company shall not be bound to register more than three persons as the joint holders of any share.	<b>Maximum number of joint holders.</b>
31.	Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.	<b>Company not bound to recognise any interest in share other than that of registered holders.</b>
32.	If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment 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.	<b>Installment on shares to be duly paid.</b>
<b>UNDERWRITING AND BROKERAGE</b>		
33.	Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.	<b>Commission</b>
34.	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.	<b>Brokerage</b>
<b>CALLS</b>		
35.	(1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board.	<b>Directors may make calls</b>

	<p>(2) A call may be revoked or postponed at the discretion of the Board.</p> <p>(3) A call may be made payable by installments.</p>	
36.	Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.	<b>Notice of Calls</b>
37.	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.	<b>Calls to date from resolution.</b>
38.	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.	<b>Calls on uniform basis.</b>
39.	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.	<b>Directors may extend time.</b>
40.	If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.	<b>Calls to carry interest.</b>
41.	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.	<b>Sums deemed to be calls.</b>
42.	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.	<b>Proof on trial of suit for money due on shares.</b>
43.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.	<b>Judgment, decree, partial payment motto proceed for forfeiture.</b>
44.	(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.	<b>Payments in Anticipation of calls may carry interest</b>

	(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.	
	<b>LIEN</b>	
45.	The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause. That fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares	<b>Company to have Lien on shares.</b>
46.	For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.	<b>As to enforcing lien by sale.</b>
47.	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.	<b>Application of proceeds of sale.</b>
	<b>FORFEITURE AND SURRENDER OF SHARES</b>	
48.	If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.	<b>If call or installment not paid, notice maybe given.</b>
49.	The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid.  The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.	<b>Terms of notice.</b>
50.	If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time	<b>On default of payment, shares to be forfeited.</b>



	thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.	
51.	When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.	<b>Notice of forfeiture to a Member</b>
52.	Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.	<b>Forfeited shares to be property of the Company and maybe sold etc.</b>
53.	Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.	<b>Members still liable to pay money owing at time of forfeiture and interest.</b>
54.	The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.	<b>Effect of forfeiture.</b>
55.	A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.	<b>Evidence of Forfeiture.</b>
56.	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.	<b>Title of purchaser and allottee of Forfeited shares.</b>
57.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.	<b>Cancellation of share certificate in respect of forfeited shares.</b>
58.	In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.	<b>Forfeiture may be remitted.</b>
59.	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.	<b>Validity of sale</b>
60.	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.	<b>Surrender of shares.</b>
	<b>TRANSFER AND TRANSMISSION OF SHARES</b>	

61.	<p>(a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee.</p> <p>(b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.</p>	<b>Execution of the instrument of shares.</b>
62.	<p>The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof.</p> <p>The instrument of transfer shall be in a common form approved by the Exchange;</p>	<b>Transfer Form.</b>
63.	<p>The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.</p>	<b>Transfer not to be registered except on production of instrument of transfer.</b>
64.	<p>Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register—</p> <p>(a) any transfer of shares on which the company has a lien.</p> <p>That registration of transfer shall however 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;</p>	<b>Directors may refuse to register transfer.</b>
65.	<p>If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.</p>	<b>Notice of refusal to be given to transferor and transferee.</b>
66.	<p>No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.</p>	<b>No fee on transfer.</b>
67.	<p>The Board of Directors shall have power on giving not less than seven days previous notice in accordance with section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.</p>	<b>Closure of Register of Members or debentureholder or other security holders..</b>
68.	<p>The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.</p>	<b>Custody of transfer Deeds.</b>
69.	<p>Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.</p>	<b>Application for transfer of partly paid shares.</b>
70.	<p>For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at</p>	<b>Notice to transferee.</b>

	the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.	
71.	<p>(a) On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person recognized by the Company as having any title to his interest in the shares.</p> <p>(b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India.</p> <p>Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate</p> <p>(c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	<b>Recognition of legal representative.</b>
72.	The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act.	<b>Titles of Shares of deceased Member</b>
73.	Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.	<b>Notice of application when to be given</b>
74.	Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.	<b>Registration of persons entitled to share otherwise than by transfer.(transmission clause).</b>
75.	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.	<b>Refusal to register nominee.</b>
76.	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.	<b>Board may require evidence of transmission.</b>

77.	The Company shall incur no liability or responsibility whatsoever in consequence of its 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 or 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, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.	<b>Company not liable for disregard of a notice prohibiting registration of transfer.</b>
78.	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.	<b>Form of transfer Outside India.</b>
79.	No transfer shall be made to any minor, insolvent or person of unsound mind.	<b>No transfer to insolvent etc.</b>
<b>NOMINATION</b>		
80.	<p>i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.</p> <p>ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014</p> <p>iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.</p> <p>iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.</p>	<b>Nomination</b>
81.	<p>A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-</p> <p>(i) to be registered himself as holder of the security, as the case may be; or</p> <p>(ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;</p> <p>(iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be;</p> <p>(iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.</p> <p>Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.</p>	<b>Transmission of Securities by nominee</b>
<b>DEMATERIALIZATION OF SHARES</b>		
82.	Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form.	<b>Dematerialisation of Securities</b>

	<b>JOINT HOLDER</b>	
<b>83.</b>	Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.	<b>Joint Holders</b>
<b>84.</b>	(a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.	<b>Joint and several liabilities for all payments in respect of shares.</b>
	(b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;	<b>Title of survivors.</b>
	(c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and	<b>Receipts of one sufficient.</b>
	(d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.	<b>Delivery of certificate and giving of notices to first named holders.</b>
	<b>SHARE WARRANTS</b>	
<b>85.</b>	The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.	<b>Power to issue share warrants</b>
<b>86.</b>	(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.  (b) Not more than one person shall be recognized as depositor of the Share warrant.  (c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.	<b>Deposit of share warrants</b>
<b>87.</b>	(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.  (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.	<b>Privileges and disabilities of the holders of share warrant</b>
<b>88.</b>	The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.	<b>Issue of new share warrant coupons</b>
	<b>CONVERSION OF SHARES INTO STOCK</b>	
<b>89.</b>	The Company may, by ordinary resolution in General Meeting.	<b>Conversion of shares into</b>

	a) convert any fully paid-up shares into stock; and b) re-convert any stock into fully paid-up shares of any denomination.	<b>stock or reconversion.</b>
90.	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation 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>Transfer of stock.</b>
91.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	<b>Rights of stock holders.</b>
92.	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words “share” and “shareholders” in those regulations shall include “stock” and “stockholders” respectively.	<b>Regulations.</b>
	<b>BORROWING POWERS</b>	
93.	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit  or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) shall not without the consent of the Company in 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 specified purpose.	<b>Power to borrow.</b>
94.	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.	<b>Issue of discount etc. or with special privileges.</b>
95.	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charge, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.	<b>Securing payment or repayment of Moneys borrowed.</b>
96.	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.	<b>Bonds, Debentures etc. to be under the control of the Directors.</b>
97.	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	<b>Mortgage of uncalled Capital.</b>
98.	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal	<b>Indemnity may be given.</b>

	or surely for the payment of any sum primarily due from the Company, the Directors 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 person so becoming liable as aforesaid from any loss in respect of such liability.	
	<b>MEETINGS OF MEMBERS</b>	
99.	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.	<b>Distinction between AGM &amp; EGM.</b>
100.	(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members	<b>Extra-Ordinary General Meeting by Board and by requisition</b>
	(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.	<b>When a Director or any two  Members may call an Extra Ordinary General Meeting</b>
101.	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.	<b>Meeting not to transact business not mentioned in notice.</b>
102.	The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.	<b>Chairman of General Meeting</b>
103.	No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.	<b>Business confined to election of Chairman whilst chair is vacant.</b>
104.	a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. c) 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. d) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.	<b>Chairman with consent may adjourn meeting.</b>
105.	In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.	<b>Chairman's casting vote.</b>
106.	Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.	<b>In what case poll taken without adjournment.</b>
107.	The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.	<b>Demand for poll not to prevent transaction of other business.</b>
	<b>VOTES OF MEMBERS</b>	

108.	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.	<b>Members in arrears not to vote.</b>
109.	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.	<b>Number of votes each member entitled.</b>
110.	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.	<b>Casting of votes by a member entitled to more than one vote.</b>
111.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor 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>Vote of member of unsound mind and of minor</b>
112.	Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.	<b>Postal Ballot</b>
113.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	<b>E-Voting</b>
114.	a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof.  b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.	<b>Votes of joint members.</b>
115.	Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles	<b>Votes may be given by proxy or by representative</b>
116.	A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. 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 as if it were an individual member, creditor or holder of debentures of the Company.	<b>Representation of a body corporate.</b>
117.	(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.	<b>Members paying money in advance.</b>
	(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period	<b>Members not prohibited if share not held for any</b>



	preceding the date on which the vote was taken.	specified period.
118.	Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.	<b>Votes in respect of shares of deceased or insolvent members.</b>
119.	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.	<b>No votes by proxy on show of hands.</b>
120.	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	<b>Appointment of a Proxy.</b>
121.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	<b>Form of proxy.</b>
122.	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.	<b>Validity of votes given by proxy notwithstanding death of a member.</b>
123.	No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.	<b>Time for objections to votes.</b>
124.	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	<b>Chairperson of the Meeting to be the judge of validity of any vote.</b>
	<b>Dividend and Reserves</b>	
151.	(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares. (2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. (3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.	<b>Division of profits.</b>
152.	The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.	<b>The company in General Meeting may declare Dividends.</b>

153.	<p>a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>	<b>Transfer to reserves</b>
154.	Subject to the provisions of section 123, 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>Interim Dividend.</b>
155.	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.	<b>Debts may be deducted.</b>
156.	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.	<b>Capital paid up in advance not to earn dividend.</b>
157.	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 share shall rank for dividend accordingly.	<b>Dividends in proportion to amount paid-up.</b>
158.	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.	<b>Retention of dividends until completion of transfer under Articles .</b>
159.	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.	<b>No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.</b>
160.	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.	<b>Effect of transfer of shares.</b>
161.	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.	<b>Dividend to joint holders.</b>
162.	<p>a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>	<b>Dividends how remitted.</b>
163.	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.	<b>Notice of dividend.</b>
164.	No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.	<b>No interest on Dividends.</b>

	<b>CAPITALIZATION</b>	
<b>165.</b>	<p>(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:</p> <p>(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or</p> <p>(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).</p> <p>(3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.</p> <p>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p>	<b>Capitalization.</b>
<b>166.</b>	<p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and</p> <p>(b) generally to do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power -</p> <p>(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also</p> <p>(b) 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 capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.</p>	<b>Fractional Certificates.</b>
<b>167.</b>	<p>(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.</p>	<b>Inspection of Minutes Books of General Meetings.</b>

	(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.	
<b>168.</b>	<p>a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p>	<b>Inspection of Accounts</b>

## **SECTION IX – OTHER INFORMATION MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the 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 811, A Wing, Jaswanti Allied Business Centre, Ramchandra Lane Extn., Malad West, Mumbai – 400064, Maharashtra, India, from 10.00 a.m. to 5.00 p.m. on working days from the date of the Draft Prospectus until the Issue Closing Date.

### **Material Contracts**

1. Memorandum of Understanding dated April 10, 2019 between our Company and the Lead Manager.
2. Agreement between Bigshare Services Private Limited and our Company dated April 10, 2019 appointing them as the Registrar to the Issue.
3. Underwriting Agreement dated April 10, 2019 between our Company and Underwriters.
4. Market Making Agreement dated April 13, 2019 between our Company, Lead Manager and Market Maker.
5. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated February 14, 2019.
6. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated [●], 2019.
7. Banker to the Issue Agreement dated [●], 2019 between our Company, the Lead Manager, Banker to the Issue and Registrar to the Issue.

### **Material Documents**

1. Certificate of Incorporation of our Company dated July 27, 2017 issued by the Registrar of Companies.
2. Certified true copy of the Memorandum and Articles of Association of our Company, as amended.
3. Copy of the resolution passed at the meeting of the Board of Directors held April 2, 2019 authorizing the Issue.
4. Special Resolution of the Shareholders passed at the Extraordinary General Meeting dated April 4, 2019 authorizing the Issue.
5. Report of our Statutory Auditor, M/s. Choudhary Choudhary & Co., Chartered Accountants dated April 8, 2019, on the Restated Financial Statements included in this Draft Prospectus.
6. Statement of Tax Benefits report by our statutory auditors, M/s. Choudhary Choudhary & Co., Chartered Accountants, Chartered Accountants dated April 8, 2019.
7. Sanction Letter for LAP Drop Down OD from The Kalapur Comm. Co. Op Bank Limited dated February 8, 2019.
8. Copies of annual reports of our Company for financial year 2017 and audited financial statements for financial year 2019.
9. Copy of the resolution dated April 4, 2019 passed at the extra ordinary general meeting of the shareholders of our Company for appointment of Prashant A. Vora as the Managing Director of our Company.
10. Consents of Directors, Chief Financial Officer, Company Secretary and Compliance Officer, Statutory Auditor, Legal Advisor to the Issue, Banker to our Company, the Lead Manager, Registrar to the Issue, Underwriter, Market Maker, Banker to the Issue, Sponsor Banker, Lender to our Company, to act in their respective capacities.
11. Copy of approval from BSE *vide* letter dated [●] to use the name of BSE in this document for listing of Equity Shares on SME Platform of BSE Limited.

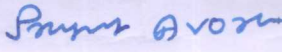
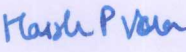


12. Due Diligence Certificate from the Lead Manager to BSE dated [●] and to SEBI dated [●].

Any of the contracts or documents mentioned in the Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

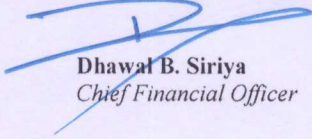
## DECLARATION

We, hereby declare that all the relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 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 are true and correct.

**Signed by all the Directors of Parshva Enterprises Limited**

Name and designation	Signature
<b>Prashant A. Vora</b> <i>Managing Director</i>	
<b>Harsh P. Vora</b> <i>Director</i>	
<b>Nirav B. Shah</b> <i>Independent Director</i>	
<b>Mamta S. Patel</b> <i>Independent Director</i>	

**Signed by the – Chief Financial Officer**

  
**Dhawal B. Siriya**  
*Chief Financial Officer*

Place: Mumbai

Date: April 16, 2019