



Our Company was originally formed and registered as a partnership firm under the Partnership Act, 1932 ("Partnership Act") in the name and style of "M/s Anand Enterprise", pursuant to a deed of partnership dated July 01, 1987. Subsequently, the partnership firm was reconstituted on April 3, 1992, October 8, 1999 and March 09, 2018. Thereafter, the partnership firm was converted in to a public limited company on September 20, 2018 under Part I chapter XXI of the Companies Act, 2013 in the name and style of "M/s. Anand Rayons Limited" and received a certificate of incorporation dated October 02, 2018 from the Deputy Registrar of Companies, Central Registration Center, Ministry of Corporate Affairs. The Corporate Identification Number of our Company is CIN: U51909GJ2018PLC104200. For details of incorporation, please refer to chapter titled "Our History and Certain other Corporate Matters" beginning on page no. 74 of this Draft Prospectus.

**Registered office:** 305-306, Jay Sagar Complex Opp. Sub Jail, Khatodra, Surat-395002 Gujarat.

**Tel:-** 0261-2635521; **Website:** www.anandrayons.com;

**Company Secretary and Compliance Officer:** Mr. Rahul Makwana; **E-Mail:** anandrayonsltd@gmail.com

<b>PROMOTER OF THE COMPANY: MR. ANAND BAKSHI</b>	
<b>THE ISSUE</b>	
<p><b>PUBLIC ISSUE OF 46,88,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH OF ANAND RAYONSLIMITED ("ARL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 27 PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ 17 PER EQUITY SHARE (THE "ISSUE PRICE") AGGREGATING TO ₹ 1265.76 LACS ("THE ISSUE"), OF WHICH 2,40,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH WILL FOR CASH AT A PRICE OF ₹ 27 PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ 17 PER EQUITY SHARE AGGREGATING TO ₹ 64.80 LACS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. NET ISSUE OF 44,48,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AT A PRICE OF ₹ 27 PER EQUITY SHARE AGGREGATING TO ₹ 1200.96 LACS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 31.29% AND 29.68 %, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE NO. 128 OF THIS DRAFT PROSPECTUS.</b></p>	
<p style="text-align: center;">THIS ISSUE IS BEING IN TERMS OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 AS AMENDED FROM TIME TO TIME.                  For further details see "Terms of the Issue" beginning on page no.128 of this Draft Prospectus.</p>	
<p>All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") as per the SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. For further details, please refer to section titled "Issue Procedure" beginning on page no. 134 of this Draft Prospectus. In case of delay, if any in refund, our Company shall pay interest on the application money at the rate of 15 % per annum for the period of delay.</p>	
<b>THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE ISSUE PRICE IS 2.7 TIMES OF THE FACE VALUE.</b>	
<b>RISK IN RELATION TO THE FIRST ISSUE</b>	
<p>This being the first Public Issue of our Company, there has been no formal market for the securities of our Company. The face value of the shares is ₹ 10 per Equity Shares and the Issue price is 2.7 times of the face value. The Issue Price (as determined by our Company in consultation with the Lead Manager) as stated in the chapter titled "Basis for Issue Price" beginning on page no.49 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our Company or regarding the price at which the Equity Shares will be traded after listing.</p>	
<b>GENERAL RISKS</b>	
<p>Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page no.12 of this Draft Prospectus.</p>	
<b>ISSUER'S ABSOLUTE RESPONSIBILITY</b>	
<p>The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.</p>	
<b>LISTING</b>	
<p>The Equity Shares offered through the Draft Prospectus are proposed to be listed on the BSE SME Platform. In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an approval letter dated [●] from BSE for using its name in this offer document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the designated Stock Exchange will be the BSE Limited ("BSE").</p>	
<b>LEAD MANAGER</b>	<b>REGISTRAR TO THE ISSUE</b>
<p><b>GUINNESS</b>  <i>Redefining Services</i>  <b>GUINNESS CORPORATE ADVISORS PRIVATE LIMITED</b>                  18 Deshapriya Park Road, Kolkata - 700 026, West Bengal, India  <b>Tel:</b> +91 - 33 - 3001 5555; <b>Fax:</b> +91 - 33 - 3001 5531  <b>Email:</b> gcapl@guinnessgroup.net  <b>Investor Grievance Email:</b> <a href="mailto:gcapl.mbd@guinnessgroup.net">gcapl.mbd@guinnessgroup.net</a>  <b>Website:</b> www.guinnessonline.net  <b>Contact Person:</b> Mr. Devendra Shah  <b>SEBI Registration No.:</b> INM 000011930</p>	<p><b>BIGSHARE SERVICES PRIVATE LIMITED</b>                  1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,                  Makwana Road, Marol, Andheri (East), Mumbai-400059  <b>Tel No.:</b> 022 62638200  <b>Fax No:</b> 022 62638299  <b>Email Id:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a>  <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>  <b>SEBI Registration No:</b> INR000001385  <b>Contact Person:</b> Mr. Ashish Bhope  <b>Investor Grievance E-mail:</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a></p>
<b>ISSUE PROGRAMME</b>	
<b>ISSUE OPENS ON: [●]</b>	<b>ISSUE CLOSES ON:[●]</b>

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

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

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

Notwithstanding the foregoing, the terms not defined but used in the chapters titled “Statement of Tax Benefits”, “Restated Financial Statements”, “Outstanding Litigation and Material Developments” and section titled “Main Provisions of Articles of Association” beginning on page nos. 51, 89, 111 and 164, respectively, shall have the meanings ascribed to such terms in the respective sections

### GENERAL TERMS

Term	Description
“ARL”, “our Company”, “we”, “us”, “our”, “the Company”, “the Issuer Company” or “the Issuer”	Anand Rayons Limited, a public limited company incorporated under the Companies Act, 2013 and having Registered Office 305 -306, Jay Sagar Complex Opp. Sub Jail, Khatodra Surat – 395002, Gujarat.
Promoter	Mr. Anand Bakshi
Promoter Group	Companies, individuals and entities (other than companies) as defined under Regulation 2 sub-regulation (pp) of the SEBI ICDR Regulations.

### COMPANY RELATED TERMS

Term	Description
Articles / Articles of Association/AOA	Articles of Association of our Company as amended from time to time
Auditors and Peer Review Auditors	The Statutory auditors of our Company, being M/s. Rajendra Sharma & Associates.
Board of Directors / Board	The Board of Directors of our Company or a committee constituted thereof
Act or Companies Act	Companies Act, 1956 and/ or the Companies Act, 2013, as amended from time to time.
CMD	Chairman and Managing Director
Depositories Act	The Depositories Act, 1996, as amended from time to time
Director(s)	Director(s) of Anand Rayons Limited unless otherwise specified
Equity Shares	Equity Shares of our Company having Face Value of ₹ 10 each unless otherwise specified in the context thereof
ED	Executive Director
Indian GAAP	Generally Accepted Accounting Principles in India
IT	Information Technology
Key Managerial Personnel / Key Managerial Employees	The officer vested with executive power and the officers at the level immediately below the Board of Directors as described in the section titled “Our Management” on page no. 77 of this Draft Prospectus
MD	Managing Director
MOA/ Memorandum of Association	Memorandum of Association of our Company as amended from time to time
Registered Office	The Registered office of our Company, located at 305 -306, Jay Sagar Complex Opp. Sub Jail, Khatodra Surat – 395002, Gujarat.
ROC / Registrar of Companies	Registrar of Companies Ahmedabad.
WTD	Whole Time Director

## ISSUE RELATED TERMS

Terms	Description
Abridged Prospectus	Abridged Prospectus to be issued under Regulation 255 of SEBI ICDR Regulations and appended to the Application Form
Applicant	Any prospective investor who makes an application for Equity Shares in terms of the Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of our Company
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by applicants to make an application authorising a SCSB to block the application amount in the ASBA Account maintained with the SCSB.
ASBA Account	An account maintained with the SCSB and specified in the application form submitted by ASBA applicant for blocking the amount mentioned in the application form.
Allottee(s)	The successful applicant to whom the Equity Shares are being / have been issued
Basis of Allotment	The basis on which equity shares will be allotted to successful applicants under the Issue and which is described in the section "Issue Procedure - Basis of allotment" on page no. 158 of this Draft Prospectus
Bankers to our Company	HDFC Bank Limited and State Bank of India.
Bankers to the Issue	[•]
CAN /Confirmation of Allocation Note	A note or advice or intimation sent to Investors, who have been allotted the Equity Shares, after approval of Basis of Allotment by the Designated Stock Exchange
UPI	Unified Payments Interface (UPI) is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a person's bank a/c.
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein.
Issue Opening Date	The date on which the Issue opens for subscription i.e [•]
Issue Closing date	The date on which the Issue closes for subscription. i.e [•]
Issue Period	The periods between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants may submit their application.
IPO	Initial Public Offering
Issue / Issue Size / Public Issue	The Public Issue of 46,88,000 Equity Shares of Face Value of ₹ 10 each at ₹ 27 (including premium of ₹ 17) per Equity Share aggregating to ₹ 1265.76 Lacs by Anand Rayons Limited.
Issue Price	The price at which the Equity Shares are being issued by our Company under this Draft Prospectus being ₹ 27
LM / Lead Manager	Lead Manager to the Issue, in this case being Guinness Corporate Advisors Private Limited
Listing Agreement	Unless the context specifies otherwise, this means the SME Equity Listing Agreement to be signed between our company and the SME Platform of BSE.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 44,48,000 Equity Shares of ₹ 10 each at ₹ 27 per Equity Share aggregating to ₹ 1200.96 Lacs by Anand Rayons Limited.
Prospectus	The Prospectus dated [•] issued in accordance with Section 32 of the Companies Act filed with the BSE under SEBI (ICDR) Regulations 2018.
Public Issue Account	An Account of the Company under Section 40 of the Companies Act, 2013 where the funds shall be transferred by the SCSBs from bank accounts of the ASBA Investors.

Qualified Institutional Buyers / QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of SEBI ICDR Regulations
Refund Account	Account opened / to be opened with a SEBI Registered Banker to the Issue from which the refunds of the whole or part of the Application Amount, if any, shall be made.
Registrar / Registrar to the Issue	Registrar to the Issue being Bigshare Services Private Limited
Regulations	Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs 2,00,000.
SCSB	A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html</a> Intermediaries.
SME Platform of BSE	The SME Platform of BSE for listing of equity shares offered under Chapter IX of the SEBI (ICDR) Regulations which was approved by SEBI as an SME Exchange on September 27, 2011.
Underwriters	Underwriters to the issue are Guinness Corporate Advisors Private Limited and Basan Financial Services Limited.
Underwriting Agreement	The Agreement entered into between the Underwriters and our Company dated February 22, 2019
Working Days	All days on which commercial banks in Surat are open for business; provided however, with reference to Issue Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Surat are open for business; the time period between the Issue Closing Date and the listing of the Equity Shares on the BSE SME, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI

#### TECHNICAL AND INDUSTRY RELATED TERMS

Term	Description
PET	Polyethylene Terephthalate
POY	Partially Oriented Yarn
DTY	Drawn Textured Yarn
FDY	Fully Drawn Yarn
PSF	Polyster Staple Fiber
PSY	Polyster Spun Yarn
NIM	Non-Intermingle
HIM	High- Intermingle
TBR	Trilobal Bright
SDY	Spin Draw Yarn
PMI	Purchasing Manager Index
EME	Emerging Market Economics

#### CONVENTIONAL AND GENERAL TERMS/ ABBREVIATIONS

Term	Description
A/c	Account
AGM	Annual General Meeting
ASBA	Application Supported by Blocked Amount
AS	Accounting Standards issued by the Institute of Chartered Accountants of India.
AY	Assessment Year

BG	Bank Guarantee
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation Allocation Note
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996 as amended from time to time
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time
DCA	Department of corporate affairs
DIN	Director's identification number
DP/ Depository Participant	A Depository Participant as defined under the Depository Participant Act, 1996
DP ID	Depository Participant's identification Number
EBIDTA	Earnings Before Interest, Depreciation, Tax and Amortization
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings Per Share i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
Financial Year/ Fiscal Year/ FY	The period of twelve months ended March 31 of that particular year
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there-under and as amended from time to time
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended.
FII	Foreign Institutional Investor (as defined under SEBI FII (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
FIs	Financial Institutions
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
Gov/Government/GOI	Government of India
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standard
ICSI	Institute of Company Secretaries of India
ICAI	Institute of Chartered Accountants of India
Indian GAAP	Generally Accepted Accounting Principles in India.
I.T. Act	Income Tax Act, 1961, as amended from time to time
INR/ Rs./ Rupees / ₹	Indian Rupees, the legal currency of the Republic of India
Ltd.	Limited
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended.
MOF	Minister of Finance, Government of India
MOU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NIFTY	National Stock Exchange Sensitive Index

NOC	No Objection Certificate
NR/ Non Residents	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA Regulations
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
p.a.	Per annum
P/E Ratio	Price/ Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Person of Indian Origin
PLR	Prime Lending Rate
R & D	Research and Development
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SAT	Security Appellate Tribunal
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to Time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI ICDR Regulations /ICDR Regulations/SEBI ICDR / ICDR	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI Rules and Regulations	SEBI ICDR Regulations, SEBI (Underwriters) Regulations, 1993, as amended, the SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time, including instructions and clarifications issued by it from time to time.
Sec.	Section
Securities Act	The U.S. Securities Act of 1933, as amended.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small And Medium Enterprises
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The Government of a State of India
Stock Exchanges	Unless the context requires otherwise, refers to, the BSE Limited
STT	Securities Transaction Tax
TDS	Tax Deducted at Source
TIN	Tax payer Identification Number
UIN	Unique Identification Number
UPI	Unified Payments Interface
U.S. GAAP	Generally accepted accounting principles in the United States of America.
VCFs	Venture capital funds as defined in, and registered with SEBI under, the erstwhile Securities and Exchange Board of India (Venture Capital Funds)

	<p>Regulations, 1996, as amended, which have been repealed by the SEBI AIF Regulations. In terms of the SEBI AIF Regulations, a VCF shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 till the existing fund or scheme managed by the fund is wound up, and such VCF shall not launch any new scheme or increase the targeted corpus of a scheme. Such VCF may seek re-registration under the SEBI AIF Regulations.</p>
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## **PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA**

### **Certain Conventions**

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

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

### **Financial Data**

Unless stated otherwise, the financial data in this Draft Prospectus is derived from our audited financial statements for the period ended September 20, 2018 and financial year ended March 31, 2018, 2017, and 2016, prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP which are included in this Draft Prospectus, and set out in the section titled ‘Financial Information’ beginning on page no. 89 of this Draft Prospectus. Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year are to the twelve-month period ended March 31 of that year. In this Draft Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the restated financial statements included in 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 on the financial disclosures presented in the Draft Prospectus should accordingly be limited.

Any percentage amounts, as set forth in the sections / chapters titled ‘Risk Factors’, ‘Business Overview’ and ‘Management's Discussion and Analysis of Financial Condition and Results of Operations’ beginning on page nos. 12, 60 and 105 respectively of this Draft Prospectus and elsewhere in this Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP.

### **Industry and Market Data**

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

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

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

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

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

## FORWARD LOOKING STATEMENTS

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

All statements contained in 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.

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

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

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections “Risk Factors”, “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages nos. 12, 60 and 105 of this Draft Prospectus, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

## SUMMARY OF ISSUE DOCUMENT

### PRIMARY BUSINESS OF THE COMPANY

The Firm has started trading in value added yarns like doped dyed yarns, fancy yarns for various applications like weaving of sarees, shirting & dress materials, yarn dyeing, carpets, various types of elastic tap & sizing segments. The focus of the firm was on development of market share on fancy and value added yarns. The Firm holds a decent market share amongst the embroidery yarn, dyed yarn & Jari manufacturers, supplying them core yarn in value added form. The firm holds a major market share of the doped dyed yarn trade.

### SUMMARY OF INDUSTRY IN WHICH THE COMPANY IS OPERATING

The Indian textile industry is one of the largest in the world with a large raw material base and manufacturing strength across the value chain. Traditional sector like handloom, handicrafts and small scale power-loom units are the biggest source of employment for millions of people in rural and semi urban area. The Indian textile Industry has inherent linkage with agriculture and traditions of the country making for its versatile spread of products appropriate for both domestic and the export markets. The textile industry contributes to 7% of industry output in value terms, 2% of India's GDP and to 15% of the country's export earnings.

### NAME OF PROMOTERS

The Promoter of our Company is Mr. Anand Bakshi for detailed information on our Promoter and Promoters' Group, please refer to Chapter titled "OUR PROMOTER AND PROMOTERS' GROUP" on page no. 86 of this Draft Prospectus.

### SIZE OF THE ISSUE

Our Company is proposing the Initial Public Issue of 46,88,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ 27 per Equity Share including a Share Premium of ₹ 17 per Equity Share (the "issue price") aggregating to ₹1265.76 lakh ("the issue"), of which 2,40,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ 27 per Equity Share including a Share Premium of ₹ 17 per Equity Share aggregating to ₹ 64.80 lakh will be reserved for subscription by Market Maker to the issue (the "Market Maker Reservation Portion"). The issue less the Market Maker Reservation portion i.e. 44,48,000 Equity Shares of face value of ₹ 10 each at a price of ₹ 27 per Equity Share including a Share Premium of ₹ 17 per Equity Share aggregating to ₹ 1200.96 lakh is herein after referred to as the "net issue". The Issue and the Net Issue will constitute 31.29% and 29.68% respectively of the Post Issue Paid up Equity Share Capital of our company.

### OBJECT OF THE ISSUE

The details of Object of the issue proceeds are set out in the following table:

Particulars	Estimated Amount (₹ in Lakhs)
Incremental Working capital requirements	875.00
General Corporate Purpose	316.00
Public Issue Expenses	74.76
Total	1265.76

For detailed information on the "Objects of the Issue", please refer to chapter titled "Objects of the Issue" on page no. 45 of this Draft Prospectus.

### SHAREHOLDING

The shareholding pattern of our Promoters and Promoters' Group before the Issue is as under;

Sr. No.	Name of share holder	No. of equity shares (Pre issue)	As a % of Pre-issue Issued Capital*
<b>Promoter</b>			
1	Mr. Anand Bakshi	35,05,920	34.05
<b>Total-A</b>		<b>35,05,920</b>	<b>34.05</b>
<b>Promoters' Group</b>			
2	Mr. Gokul Bakshi	36,86,195	35.80
3	Mrs. Shilpa Bakshi	10,04,860	9.76
4	Mrs. Vasu Bakshi	19,13,880	18.59
5	Mrs. Hema Mishra	175,542	1.70
6	Mrs. Jigisha Chorwala	504	0.00

7	Mrs. Nila Gandhi	9,820	0.10
<b>Total-B</b>		<b>67,90,801</b>	<b>65.95</b>
<b>Total Promoters and Promoters' Group (A+B)</b>		<b>1,02,96,721</b>	<b>100.00</b>

#### FINANCIAL DETAILS

Sr. No.	Particulars	For the period ended on September 20, 2018	For the year ended on		
			March 31, 2018	March 31, 2017	March 31, 2016
1.	Share Capital	1029.67	726.53	665.72	535.61
2.	Net Worth	1246.60	871.68	665.72	535.61
3.	Total Revenue	12910.15	25959.08	27062.38	21992.23
4.	Profit After Tax	71.78	145.14	104.70	45.73
5.	Earnings Per Share - Basic & Diluted	0.70	2.00	1.57	0.85
6.	NAV per Equity Shares	12.11	12.00	10.00	10.00
7.	Total Borrowing (As per Restated Balance Sheet)	2875.32	3265.86	3013.50	2317.36

#### AUDITORS' QUALIFICATIONS WHICH HAVE NOT BEEN GIVEN EFFECT TO IN THE RESTATED FINANCIAL STATEMENTS.

There is no auditor qualification which has not been given effect to in the Restated Financial Statements.

#### OUTSTANDING LITIGATIONS

(₹ in lacs)

Particular	Nature of cases	No of outstanding cases	Penalty Amount involved
<b>Litigation by Company</b>	Negotiable Instrument Act 1881	17	139.22
<b>Litigation against group Companies</b>	Income Tax	1	12.06

For detailed information on the "Outstanding Litigations", please refer to chapter titled "OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS" on page no. 111 of this Draft Prospectus.

#### RISK FACTORS

Investors should read chapter titled "Risk Factors" beginning on page no. 12 of this Draft Prospectus to get a more informed view before making any investment decisions.

#### CONTINGENT LIABILITIES

The details of Contingent Liabilities is given hereunder.

(₹ in Lakh)

Particulars	As at September 20, 2018	As at March 31,		
		2018	2017	2016
Contingent liabilities	Nil	Nil	Nil	Nil
Total	0	0	0	0

For detailed information on the Contingent Liabilities on our Company, please refer "Annexure -IX" appearing on this Draft Prospectus under Chapter titled "FINANCIAL INFORMATION" beginning on Page no. 89 of this Draft Prospectus.

#### RELATED PARTY TRANSACTIONS

(₹ in Lakh)

Nature of Transactions	For the period ended on September 20, 2018	For the year ended on March 31, 2018	For the year ended on March 31, 2017	For the year ended on March 31, 2016
Payment of Remuneration to Directors and Partners	0.2	0.6	0.6	0.6

Purchase of Goods	-	-	-	40.97
Sale of Goods	-	-	-	301.56
Loan Taken by the Company	289.18	186.11	141.45	393.87
Loan Paid by the Company	402.76	73.91	13.76	41.00
Balance Outstanding (Liability)	973.45	1087.05	974.84	847.16

For detailed information on the related party transactions executed by our Company, please refer “Annexure – X” appearing on this Draft Prospectus under Chapter titled “FINANCIAL INFORMATION” beginning on Page no. 89 of this Draft Prospectus.

#### FINANCING ARRANGEMENTS

The promoter, members of the promoter group, the directors of the company which is a promoter of the issuer, the directors of the issuer and their relatives have not financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of this Draft Prospectus.

#### COST OF ACQUISITION

The average cost of acquisition of equity shares by our promoter in last one year is :

Date of allotment	Name of Promoter	Number of Equity Shares Issued	Face value (₹)	Average cost of acquisition (₹)
September 20, 2018	Anand Bakshi	35,05,920	10	10

#### WEIGHTED AVERAGE COST

**Weighted average price at which the Equity Shares were acquired by our Promoters in Last One Year:**

Our Promoter have not acquired any shares of the Company during last one (1) year from the date of filing of this Draft Prospectus, however, during last one (1) year promoter has been issued shares on conversion of Partnership firm in to Public Limited Company as per the details given below:-

Date of allotment	Nature of Issue	Number of Equity Shares Issued	Face value (₹)	Issue Price (₹)
September 20, 2018	Subscriber to Memorandum of Association	35,05,920	10	10

For detailed information on the subscriber to Memorandum of Association , please refer Note No 1 appearing on this Draft Prospectus under Chapter titled “Capital Structure” beginning on Page no. 31 of this Draft Prospectus.

#### PRE-IPO PLACEMENT

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

#### ISSUE OF SHARE FOR CONSIDERATION OTHER THAN CASH

Our Company has issued shares for consideration other than cash during last one year.

Date of allotment	Nature of Issue	Number of Equity Shares Issued	Face value (₹)	Total Capital Issued other than Cash
September 20, 2018	Subscriber to Memorandum of Association	1,02,96,721	10	10,29,67,210

For detailed information on the subscriber to Memorandum of Association , please refer Note No 1 appearing on this Draft Prospectus under Chapter titled “Capital Structure” beginning on Page no. 31 of this Draft Prospectus.

#### SPLIT / CONSOLIDATION

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

## SECTION -II RISK FACTORS

Investment in Equity Shares involves a high degree of risk and applicants should not invest any funds in the Offer unless applicants can afford to take the risk of losing all or a part of your investment. The risks and uncertainties described below together with the other information contained in this Draft Prospectus should be carefully considered before making an investment decision in our Equity Shares. The risks described below are not the only ones relevant to the country or the industry in which we operate or our Company or our Equity Shares. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise and may become material in the future and may also impair our business operations and financial condition. Further, some events may have a material impact from a qualitative perspective rather than a quantitative perspective and may be material collectively rather than individually. To have a complete understanding of our Company, you should read this section in conjunction with the sections titled "Business Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page nos. 60 and 105 respectively, as well as the other financial and statistical information contained in this Draft Prospectus. If any of the risks described below, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, prospects, financial condition and results of operations could suffer materially, the trading price of our Equity Shares could decline, and you may lose all or part of your investment.

Prior to making an investment decision, applicants should carefully consider all of the information contained in this Draft Prospectus (including "Financial Information" on page no. 89) and must rely on their own examination of our Company and the terms of the Offer including the merits and the risks involved. You should also consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Offer. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks mentioned herein. We have described the risks and uncertainties that our management believe are material but the risks set out in this Draft Prospectus may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. In making an investment decision, applicants must rely on their own examination of about our company and the terms of the Offer including the merits and the risks involved. This Draft Prospectus also contains forward-looking statements that involve risk and uncertainties. Our actual results could differ materially from those anticipated in these forward looking statements as a result of certain factors, including the considerations described below in the section entitled "Forward-Looking Statements" on page no. 8 and elsewhere in this Draft Prospectus. Unless otherwise stated, the financial information used in this section is derived from our Restated Financial Statements.

### **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 found material collectively.
2. Some risks may have material impact qualitatively instead of quantitatively.
3. Some risks may not be material at present but may be having material impact in future.

In this Draft Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in "**Risk Factors**" on page no. 12 and "**Management Discussion and Analysis of Financial Condition and Results of Operations**" on page no. 105 of this Draft Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the "Audited Financial Statements, as restated" prepared in accordance with the Indian Accounting Standards.

#### **1. We do not own part of our registered office from which we operate.**

Our Registered Office is located at 305-306, Jay Sagar Complex, Opp. Sub Jail, Khatodra, SURAT – 395002, of which office No. 305 is not owned by us. Our company has taken the said office premises No.305 on rental basis and executed a rent agreement with Mr. Anand G. Bakshi, promoter of our company and Mr. Gokul Bakshi. The office No.305 has been taken by us on lease for a period of One year w.e.f. December 5,2018 at a token rent of Rs.10/- per month.

There can be no assurance that the term of the agreements will be renewed and in the event the Landlord terminates or does not renew the agreements on commercially acceptable terms, or at all, and we may require to vacate the part of the registered office and we have to operate from the remaining part of our office which may create disruption of day-today activities till we find the new premises at reasonable rent. Such a situation could

result in additional cost, loss of business, time overruns and may adversely affect our operations and profitability.

**2. We are dependent on few suppliers for the purchase of material.**

Our Company is in trading of various types of yarns and we are procuring the material from few suppliers. However the Dependence on the top five suppliers for the Financial year 2017-18 and 2016-17 was 73.65%, and 78.88 % respectively, Though most of our Dealership are with us since long terms , loss of any of the Dealership of polyester Yarn will affect our sales, turnover, profitability adversely.

Particulars	% of Total purchase	
	31.03.2018	31.03.2017
Top 5 Suppliers	73.65	78.88

We are dealers of the many companies for long period and the continuance of the dealership is not at all problem.

**3. We have not entered in to any type of written Dealership Agreement with any of our suppliers.**

We are acting as authorised Dealers of various yarn manufacturing companies and we have written confirmation from such manufacturing Companies for acting as their dealer However we have not executed written agreement with any of such company. In absence of any such Dealership Agreement, we are always at the risk of continuing such Dealership for specific future period. Loss of any of the dealership may affect our business, revenue and profitability adversely.

**4. There are outstanding litigations by our Company and against the group company which if determined against us, could adversely impact financial conditions.**

There are outstanding litigations by our Company and against the Group Company. The summary details of this legal proceeding are given below in the following table:

(₹ in lacs)

Particular	Nature of cases	No of outstanding cases	Penalty Amount involved
Litigation by Company	Negotiable Instrument Act 1881	17	139.22
Litigation against Group Companies	Income Tax	1	12.06

For further details regarding outstanding litigations by and against companies please refer the chapter "Outstanding Litigations and Material Development" on page no. 111 of this Draft Prospectus.

**5. Procedure for change of Name in Government record for Office No.306 and 103 Jay Sagar Complex, Opp. Sub Jail, Khatodra, Surat is yet to be completed.**

Our Company has been incorporated as Public Limited Company under Part I company (Chapter XXI) of the Companies Act, 2013 by taking over business and assets and liabilities of M/s. ANAND ENTERPRISE on and from the date of the incorporation of the Company by virtue of Section 368 of the Companies Act, all the assets and liabilities belonging to the partnership firm shall stand vested in the Company. The Procedure for vesting the immovable properties in the name of company is yet to be completed.

**6. We have to update the name of our company in some of the statutory approvals and certificates due to the conversion of our Company.**

Some of our statutory approvals and certificates are in the name of Anand Enterprise. Since our Partnership firm was converted into a public limited company vide Certificate of Incorporation dated September 20, 2018. We have to update the name of Anand Rayons Limited on the statutory approvals and certificates. We cannot assure you that we will be able to update the said documents in a timely manner. This may create the hindrances in our business activities.

**7. Our Company has issued equity shares during last 12 months at a price lower than the issue price.**

Our Company has issued 1,02,96,721 Equity Shares at Rs. 10 each for consideration other than cash on September 20, 2018 as subscriber to the Memorandum of Association of "Anand Rayons Limited" to the erstwhile partners of "Anand Enterprise" on conversion of said partnership firm into Public Limited Company as per details given below:

Sr. No.	Name of Subscribers to MoA	No. of Equity Shares Allotted
1.	Mr. Gokul Bakshi	36,86,195
2.	Mr. Anand Bakshi	35,05,920
3.	Mrs. Shilpa Bakshi	10,04,860
4.	Mrs. Vasuben Bakshi	19,13,880
5.	Mrs. Hema Mishra	1,75,542
6.	Mrs. Jigisha Chorawala	504
7.	Mrs. Nilaben Gandhi	9,820
	<b>Total</b>	<b>1,02,96,721</b>

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

As per our restated financial statements, as on September 20, 2018 we have unsecured loan of ₹ 973.45 lacs from directors and relatives of directors which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our liquidity and business operations. For further details of these unsecured loans, please refer to Financial Information beginning on page no. 89 of this Draft Prospectus.

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

Our Company has entered into certain transactions with our related parties. While we believe that all have been conducted on the arms-length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation.

For details on the transactions entered by us, please refer to “Related Party Transactions” beginning on page no 102 of the Draft Prospectus.

**10. Our promoter group entity M/s Anand Cotex Limited, a closely held public limited Company which is engaged in similar line of business activity in which our company is engaged which may create a conflict of interest.**

Our promoter group entity Anand Cotex Limited, a closely held public limited Company which is engaged in similar line of business activity i.e trading of Yarn. Our Group Entity may expand its business in the future that may compete with us. The interests of this Group entity may conflict with our Company’s interests and / or with each other. For further details, please refer to the chapter titled, "Financial Information of Our Group Companies" and Annexure X "Related Party Transaction" under the section "Restated Financial Information's" appearing on page nos. 117 and 102 respectively of the Draft Prospectus.

**11. Our Promoter and Directors may have interest in our Company, other than reimbursement of expenses incurred or remuneration.**

Our Promoter and Directors may be deemed to be interested to the extent of the Equity Shares held by them, or their relatives or our Group Entities, and benefits deriving from their directorship and shareholding in our Company. Our Promoters are interested in the transactions entered into between our Company and themselves as well as between our Company and our Group Entities. For further details, please refer to the chapters titled “Business Overview” and “Our Promoter and Promoter Group”, beginning on page nos. 60 and 86 respectively and the chapter titled “Annexure X - Related Party Transactions” on page no. 102 under chapter titled “Financial Information” beginning on page no. 89 of this Draft Prospectus.

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

Our success depends heavily upon the continuing services of our promoter Mr. Anand Bakshi. He currently serves as our Managing Director and his experience and vision had played a key role in obtaining our current reputation and status in the market. We would depend significantly on our Key Managerial Persons for continuing our business operations successfully. If our promoter or any member of the senior management team is unable or unwilling to continue in his present position, we may not be able to replace him easily or at all, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

**13. In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects of this Issue which would in turn affect our revenues and results of operations.**



The funds that we receive would be utilized for the objects of the Issue as has been stated in the section “Objects of the Issue” on page no. 45 of this Draft Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management’s estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, it may affect our revenues and results of operations.

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

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

**15. We have not identified any alternate source of raising the funds required for our ‘Objects of the Issue’. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.**

Our Company has not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds may require us to borrow the funds on unfavourable terms, both of which scenarios may affect the business operation and financial performance of the company.

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

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

Particulars	For the period ended on September 20, 2018	2018	2017	2016
Net Cash Generated from Operating Activities	(3838.57)	100.89	(360.01)	(332.33)

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

**17. Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements with HDFC bank and State Bank of India , could adversely affect our business and results of operations.**

Our financing arrangements are subject to restrictive covenants that limit our ability to undertake actions, which could adversely affect our business and financial condition. such as

- Borrower to provide copy of Comprehensive insurance on all stocks, movable and immovable assets, and other secured assets with assignment in favour of HDFC Bank as First Loss Payee.
- In case the policy or renewal is not submitted in time, bank reserve the right to initiate for insurance of policy on Borrower's behalf.
- Guarantors not to issue any Personal Guarantee for any other loans without prior written permission of HDFC Bank except for Car Loans, Personal loans, Home loans, Education loans to be obtained for self and family members.
- Borrower would not divert any funds for any other purpose and launch any new scheme of expansion/business without prior permission of HDFC Bank.
- Borrower is required to submit Audited Annual financial statements within 90 day's after the financial year-end.
- In case of delay or non- submission of Insurance policy/ Renewed insurance policy, Annual Financial Statement and Stock Statements , HDFC Banks would levy penal interest of 2 % p.a.
- HDFC Bank will have right to review/withdraw its facilities in case of change of ownership of the Borrower enterprise. The Borrower immediately inform HDFC bank With regard to Change in the Shareholding Pattern , if any.

## STATE BANK OF INDIA

- Capital should not be withdrawn from the firm during the Currency of credit limit.
- The Promoters should raise additional funds in case the Cash Accruals falling short of the estimates / projections to maintain adequate liquidity in the system.
- The firm to make payment for invoices that are marked to SBI only.
- Unsecured loan should not be withdrawn without prior Written Consent of the Bank.
- Pari passu charges has to be created on the stocks and book debts of the Reliance Industries Limited with the existing banker (within two months ).


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

Our Promoters and Promoter Group has provided personal guarantees as security to secure our existing borrowings taken from HDFC Bank and State Bank of India and may continue to provide such guarantees and other security post listing. In case of a default under our loan agreements, any of the personal guarantees provided by our Promoter/Promoter Group may be invoked and/ or the security may also be enforced, which could negatively impact the reputation and net worth of the Promoter/Promoter Group. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. In addition, our Promoter and Promoter Group may be required to liquidate their shareholding in our Company to settle the claims of the lenders, thereby diluting their shareholding in our Company. We may also not be successful in procuring alternate guarantees/ alternate security satisfactory to the lenders, as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. However, we are following policy of complying with all terms and conditions of loan agreements and we ensure timely compliance of its terms. For further details regarding loans availed by our Company, please refer “Indebtedness” on page no. 66 of this Draft Prospectus.


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

We may not be able to achieve our planned rate of expansion for our Trading business in other states . If we are unable to implement our growth strategies successfully, our future growth in income and profits may be adversely affected. In order to expand our business operations successfully, we should enhance our marketing team and broker net work .

There can be no assurance that we will be able to achieve our expansion goals, in a timely manner, or at all, or that our expansion plans will be profitable. Furthermore, expansion and future growth will increase better performance of our management team, systems and resources, financial controls and information systems. If we fail to continue to improve our infrastructure or managerial capacity and manpower our growth rate and operating results could be adversely affected.

**20. *Our Logo  is not Registered with the Trade Mark registration authority, we may be unable to protect the Logo from being infringed by others which may adversely affect our business value, financial condition and results of operations***

As on the date of this Draft Prospectus, we have not yet applied for registration with the Trade Mark

Registration Authority for our logo  and hence we do not enjoy the statutory protection accorded to a registered trademark. Additionally, we have not made any application for the registration of our logo. We may remain vulnerable to infringement and passing-off by third parties and will not be able to enforce any rights against them. We may also need to change our logo which may adversely affect our reputation and business and could require us to incur additional costs.

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

Our future ability to pay dividends will depend on our earnings, financial condition and capital requirements. 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, the future dividend policy will depend on the capital requirements and financing arrangements for the business plans, financial condition and results of operations.

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

Post this Issue, our Promoter and Promoter Group will collectively own 68.71% of our equity share capital. As a result, our Promoter, together with the members of the Promoter Group, will continue to exercise a significant degree of influence over Company and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act, 2013 and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

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

***23. Proposed objects of the issue for which funds are being raised have not been appraised by any bank or financial institution. Any inability on our part to utilize the Issue proceeds effectively could adversely affect our financials.***

The objects of the issue for which the funds are being raised have not been appraised by any bank or financial institution. In the absence of such independent appraisal, the requirement of funds raised through this issue, as specified in the section titled “*Objects of the Issue*” are based on the company’s estimates and internal research. We may have to revise our management estimates from time to time and consequently our fund requirements may also change. This may result in rescheduling of our expenditure plans and an increase or decrease in our proposed expenditure for a particular object. Deployment of these funds is at the discretion of the management and the Board of Directors of the company and will not be subject to monitoring by any independent agency. Any inability on our part to utilize the Issue proceeds effectively could adversely affect our financials.

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

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

***25. We could be exposed to risks arising from misconduct, fraud and trading errors by our employees and Business Associates.***

Frauds or other delinquencies by employees could include indulging in transactions that exceed authorized limits or present unacceptable risks to us; hiding unauthorized or unsuccessful trading activities from us; or the improper use of confidential information. Such misconduct could result in unacceptable business risks, losses, invite regulatory sanctions and seriously harm our reputation and could even lead to litigation. The precautions we take to prevent and detect these activities may not be effective. Any delinquencies or errors on the part of our employees could materially affect our business operations, financial position and/or reputation.

## **EXTERNAL RISK FACTORS**

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

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

spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

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

Our Company is subject to various regulations and policies. For details see section titled “Key Industry Regulations and Policies” beginning on page no. 69 of this Draft Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

**3. We are subject to risks arising from interest rate fluctuations, which could adversely impact our business, financial condition and operating results.**

Changes in interest rates could significantly affect our financial condition and results of operations. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may negatively impact our results of operations, planned capital expenditures and cash flows.

**4. There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the SME Platform of “BSE” in a timely manner, or at all.**

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the SME Platform of “BSE”. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

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

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

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

The Issue Price of our Equity Shares has been determined by fixed price method. This price is based on numerous factors (For further information, please refer chapter titled “Basis for Issue Price ”beginning on page no. 49 of this Draft Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the other factors that could affect our share price include without limitation. The following:

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

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

Once listed, we would be subject to circuit breakers imposed by all stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by Indian stock exchanges. The percentage limit on circuit breakers is set by the stock exchanges based on the historical

volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker in effect from time to time, and may change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time

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

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Terrorist attacks and other acts of violence may adversely affect the Indian stock markets, where our Equity Shares will trade, and the global equity markets generally.

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

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investor's reactions to developments in one country may have adverse effects on the market price of securities of companies situated in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. The Indian stock exchanges have experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

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

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

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

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

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

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

## SECTION III - INTRODUCTION

### THE ISSUE

Present Issue in terms of the Draft Prospectus:

Issue Details	
Issue of Equity Shares by our Company	46,88,000 Equity Shares of ₹ 10 each at an Issue Price of ₹ 27 each aggregating to ₹ 1265.76 Lacs
Of which:	
Reserved for Market Makers	2,40,000 Equity Shares of ₹ 10 each at an Issue Price of ₹ 27 each aggregating to ₹ 64.80 Lacs
Net Issue to the Public*	44,48,000 Equity Shares of ₹ 10 each at an Issue Price of ₹ 27 each aggregating to ₹ 1200.96 Lacs
Of which	
Retail Portion	22,24,000 Equity Shares of ₹ 10 each at an Issue Price of ₹ 27 each aggregating to ₹ 600.48 Lacs
Non Retail Portion (Includes Qualified Institutional Buyers Portion)	22,24,000 Equity Shares of ₹ 10 each at an Issue Price of ₹ 27 each aggregating to ₹ 600.48 Lacs
Equity Shares outstanding prior to the Issue	1,02,96,721 Equity Shares of ₹ 10 each
Equity Shares outstanding after the Issue	1,49,84,721 Equity Shares of ₹ 10 each
Use of Proceeds	For further details please refer chapter titled "Objects of the Issue" beginning on page no. 45 of the Draft Prospectus for information on use of Issue Proceeds.

#### Notes

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details please refer to section titled 'Issue Structure' beginning on page no. 132 of this Draft Prospectus.

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on November 28, 2018 and by the shareholders of our Company vide a special resolution passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the EGM held on December 13, 2018.

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

- a) Minimum fifty percent to retail individual investor; and
- b) Remaining to:
  - i. Individual applicants other than retail individual investors; and
  - ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- 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 retails individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retails individual investors shall be allocated that higher percentage.

**SUMMARY OF FINANCIAL INFORMATION**  
**RESTATED STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES**

(₹in Lacs)

Sr. No	Particulars	20th September, 2018	31st March, 2018	31st March, 2017	31st March, 2016
(1)	Equity & Liabilities				
	(a) Share Capital/partners Capital	1,029.67	726.53	665.72	535.61
	(b)Reserves & surplus	216.93	145.15	-	-
	<b>Sub Total.....(1)</b>	<b>1246.60</b>	<b>871.68</b>	<b>665.72</b>	<b>535.61</b>
(2)	Share Application Money.....(2)				
(3)	Non Current Liabilities				
	(a) Long term Borrowings	973.45	1,314.09	1,278.38	1,144.67
	(b) Long term Liabilities	-	-	-	-
	(c) Deffered Tax Liabilities ( Net)	-	-	-	-
	(d) Long term Provisions	-	-	-	-
	<b>Sub Total.....(3)</b>	<b>973.45</b>	<b>1,314.09</b>	<b>1,278.38</b>	<b>1,144.67</b>
(4)	Current Liabilities				
	(a) Short Term Borrowings	1901.87	1,951.77	1,735.12	1,172.69
	(b) Trade Payables	1640.13	-	-	-
	Outstanding due to Micro and Small Enterprises	-	-	-	-
	Outstanding due to Creditors other then Micro and Small Enterprises	-	1,414.03	1,801.94	654.01
	(C) Other Current Liabilities	344.31	309.79	264.29	267.83
	(d) Short term provisions	39.88	80.72	63.60	21.25
	<b>Sub Total.....(4)</b>	<b>3926.19</b>	<b>3,756.31</b>	<b>3,864.95</b>	<b>2,115.78</b>
	<b>TOTAL LIABILITIES.....(1+2+3+4)</b>	<b>6146.24</b>	<b>5,942.08</b>	<b>5,809.05</b>	<b>3,796.06</b>
	ASSETS				
(4)	Non Current Assets				
	(a) Fixed Assets				
	Property Plant and Equipment	-	-	-	-
	Tangible Assets	40.70	37.17	43.20	49.02
	Capital work-in-progress	-	-	-	-
	Intangible Assets	-	-	-	-
	(b) Non Current Investments	33.00	33.00	33.00	33.00
	(c) Deferred Tax Assets	-	-	-	-
	(d) Long term Loans and Advances	69.90	-	-	-
	(e) Other non Current Assets	-	-	-	-
	<b>Sub Total.....( 4)</b>	<b>143.60</b>	<b>70.17</b>	<b>76.20</b>	<b>82.02</b>
(5)	Current Assets				
	(a) Current Investments	-	-	-	-
	(b) Inventories	243.70	236.74	267.64	150.40
	(c) Trade Receivables	5710.40	5,470.86	5,368.16	3,470.66
	(d) Cash and bank balances	0.03	11.51	22.86	8.84
	(e) Short Term Loans and Advances	48.51	152.80	74.19	84.14
	(f) Other Current Assets	-	-	-	-
	<b>Sub Total.....( 5)</b>	<b>6002.64</b>	<b>5,871.91</b>	<b>5,732.85</b>	<b>3,714.04</b>
	<b>TOTAL ASSETS.....(4+5)</b>	<b>6146.24</b>	<b>5,942.08</b>	<b>5,809.05</b>	<b>3,796.06</b>

**RESTATED STATNDALONE SUMMARY STATEMENTOF PROFIT AND LOSSES**

(₹ in Lacs)

Particulars	For the year ended			
	20th September, 2018	31st March, 2018	31st March, 2017	31st March, 2016
Income from continuing operations				
Revenue from operations	-	-	-	-
Manufacturing Activity	-	-	-	-
Trading Activity	12906.33	25954.19	27,059.89	21,990.37
<b>Total</b>	<b>12906.33</b>	<b>25,954.19</b>	<b>27,059.89</b>	<b>21,990.37</b>
Other Income	3.82	4.89	2.49	1.86
<b>Total Revenue</b>	<b>12910.15</b>	<b>25,959.08</b>	<b>27,062.38</b>	<b>21,992.23</b>
Expenses	-	-	-	-
Cost Of Material Consumed	12359.56	-	-	-
Purchase of Stock in Trade	-	24834.91	26,211.54	21,357.82
Change in Inventories	-	30.90	(117.24)	(83.20)
Employee benefits expense	63.43	101.8	70.16	59.83
Finance Costs	140.77	425.88	345.87	234.97
Other expenses	230.71	334.91	377.95	349.18
Depreciation and amortisation expenses	4.01	5.57	6.67	7.45
Total Expenses	12,798.48	25,733.97	26,894.95	21,926.05
Restated profit before tax from continuing operations	111.67	225.11	167.43	66.18
Exceptional Item	-	-	-	-
Tax expense/(income)	-	-	-	-
Current tax	39.88	79.97	62.73	20.45
Deferred tax charge/(credit)	-	-	-	-
Total tax expense	-	79.97	62.73	20.45
<b>Restated profit after tax from continuing operations (A)</b>	<b>71.78</b>	<b>145.14</b>	<b>104.70</b>	<b>45.73</b>



**RESTATED STATNDALONE SUMMARY STATEMENT OF CASH FLOWS**

(₹ in Lacs)

Particulars	20th September, 2018	31st March, 2018	31st March, 2017	31st March, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before taxation from continuing operations (as restated)	111.67	225.11	167.43	66.18
Non cash adjustments to reconcile profit before tax to net cash flows				
Depreciation and amortisation expense	4.02	5.57	6.67	7.45
Interest income	(1.36)	-	-	-
Dividend Income	(0.98)	-	-	-
Interest expense	136.16	425.88	345.87	349.18
Operating profit before working capital changes (as restated)	249.51	656.56	519.97	422.81
Movement in Working Capital	-	-	-	-
(Increase)/decrease in Inventories	(243.70)	30.90	(117.24)	(83.20)
(Increase)/decrease in trade receivables	(5,710.40)	(102.70)	(1,897.50)	(1,217.36)
(Increase)/decrease in loans and advances	(118.41)	(78.61)	9.95	(13.58)
(Increase)/decrease in LT loans and advances	(69.90)	-	-	-
(Increase)/decrease in non current Investments	-	-	-	-
Increase/(decrease) in trade payables	2,024.32	(387.91)	1,147.93	460.92
Increase/(decrease) in Other Current Liabilities	-	45.50	(3.54)	115.18
Increase/(decrease) in Short term provisions	-	(0.12)	0.87	-
Increase/(decrease) in Long Term provisions	-	-	-	-
<b>Cash flow from operations</b>	<b>(3,798.68)</b>	<b>163.62</b>	<b>(339.56)</b>	<b>(315.23)</b>
Direct taxes paid (including fringe benefit taxes paid) (net of refunds)	(39.89)	(62.73)	(20.45)	(17.10)
Dividend and Dividend Distribution Tax	-	-	-	-
Net cash generated from operating activities (A)	(3,838.57)	100.89	(360.01)	(332.33)
<b>B. CASH FLOW USED IN INVESTING ACTIVITIES</b>				
Purchase of fixed assets, including intangible assets, capital work in progress and capital advances	(44.72)	(1.08)	(0.85)	(21.24)
Sale of Assets	-	1.55	-	-
(Purchase)/Sale of investments	(33.00)	-	-	-
Interest received	1.36	-	-	-
Dividend Income	0.98	-	-	-
<b>Net cash used in investing activities (B)</b>	<b>(75.38)</b>	<b>0.47</b>	<b>(0.85)</b>	<b>(21.24)</b>
<b>C. CASH FLOW FROM /(USED IN) FINANCING ACTIVITIES</b>				
Proceeds from Long term Borrowings	973.45	35.71	133.71	393.22
Proceeds from Short term Borrowings	1,901.87	216.65	562.43	233.49
Proceeds from issue of Share Capital	1029.67	60.81	25.41	25.70
Share Capital & Share Application Money	-	-	-	-
Dividend and Dividend Distribution Tax	-	-	-	-
Interest paid	(136.16)	(425.88)	(345.87)	(349.18)
Reserve & Surplus	145.15	-	-	-
Net cash generated from/(used in) financing activities (C)	3,913.98	(112.71)	375.68	303.23

Net increase/(decrease) in cash and cash equivalents ( A + B + C )	0.03	(11.35)	14.82	(50.34)
Cash and cash equivalents at the beginning of the year	0.03	22.86	8.84	58.38
Cash and cash equivalents at the end of the year	0.03	11.51	22.86	8.84

## GENERAL INFORMATION

Our Company was originally formed and registered as a partnership firm under the Partnership Act, 1932 (“Partnership Act”) in the name and style of “M/s Anand Enterprise”, pursuant to a deed of partnership dated July 01, 1987. Subsequently, the partnership firm was reconstituted on April 3, 1992, October 8, 1999 and March 09, 2018. Thereafter; the partnership firm was converted in to a public limited company on September 20, 2018 under Part I chapter XXI of the Companies Act, 2013 in the name and style of “M/s. Anand Rayons Limited” and received a certificate of incorporation dated October 02, 2018 from the Deputy Registrar of Companies, Central Registration Center, Ministry of Corporate Affairs. The Corporate Identification Number of our Company is CIN: U51909GJ2018PLC104200.

For further details in relation to the corporate history of our Company, see the section titled “History and Certain Corporate Matters” on page no. 74.

## BRIEF COMPANY AND ISSUE INFORMATION

<b>Company Name</b>	Anand Rayons Limited
Registered Office	305-306, Jay Sagar Complex Opp. Sub Jail, Khatodra Surat -395002, Gujarat. <b>Tel:</b> 0261-2635521 <b>Email:</b> anandrayonsltd@gmail.com <b>Website:</b> www.anandrayons.com, <b>Contact Person:</b> Mr.Rahul Makwana.
Date of Incorporation	September 20, 2018
Company Identification No.	U51909GJ2018PLC104200
Company Category	Company Limited by Shares
Registrar of Company	Registrar of Companies, Ahmedabad
Address of the RoC	ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop , Naranpura, Ahmedabad-380013, Phone: 079-27437597 Fax: 079-27438371 E Mail : roc.ahmedabad@mca.gov.in
Designated Stock Exchange	BSE Limited. SME Platform
Issue Programme	Issue Opens On : [●] Issue Closes On : [●]
Company Secretary and Compliance Officer	Mr. Rahul Makwana. 305-306, Jay Sagar Complex Opp. Sub Jail, Khatodra Surat Gujarat-395002. <b>Tel:</b> 0261-2635521 <b>Email:</b> anandrayonsltd@gmail.com <b>Website:</b> www.anandrayons.com,

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

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

## BOARD OF DIRECTORS OF OUR COMPANY

Our Board of Directors Consist of:

Name	DIN	Address
Mr. Anand Bakshi (Managing Director)	01942639	Gokul Bungalow, Adarsh Society, Near Electric Sub Station, Athwalines Surat- 395001 (Gujarat).
Mrs. Shilpa Bakshi (Whole Time Director)	07986896	Gokul Bungalow, Adarsh Society, Near Electric Sub Station, Athwalines, Sunvali, Nanpur A Surat - 395001 (Gujarat).
Mrs. Hema Mishra (Non Executive Director)	08273565	D 2/6, Nand Niketan Essar Township, Hazira Surat - 394270 (Gujarat).
Mr. Nivesh Khanna	00217822	101, Prasthan Appartment, Near Sargam Shopping Center,

(Independent Director)		Parle Point , Surat- 395007 (Gujarat).
Mr. Jayantbhai Mankad (Independent Director)	08024559	302 Lal Bunglow, Shantikunj Apptt. Athwalines Surat - 395007 (Gujarat).

For further details of our Directors, please refer page no. 77 of this Draft Prospectus under the chapter titled “Our Management”.

#### DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

Lead Manager to the Issue	Registrar to the Issue
<b>Guinness Corporate Advisors Private Limited</b> 18 Deshapriya Park Road, Kolkata - 700 026, West Bengal, India. <b>Tel:</b> +91 - 33 - 3001 5555 <b>Fax:</b> +91 - 33 - 3001 5531 <b>Email:</b> gcapl@guinnessgroup.net <b>Investor Grievance Email:</b> gcapl.mbd@guinnessgroup.net <b>Website:</b> www.guinnessonline.net <b>Contact Person:</b> Mr. Devendra Shah <b>SEBI Registration No.:</b> INM 000011930	<b>BIGSHARE SERVICES PRIVATE LIMITED</b> <b>Address:</b> 1 <sup>st</sup> Floor, Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai-400059 <b>Tel No:</b> +91-022-62638200 <b>Fax No:</b> +91-022-62638299 <b>SEBI Registration No:</b> INR000001385 <b>Email Id:</b> ipo@bigshareonline.com <b>Website:</b> www.bigshareonline.com <b>Contact Person:</b> Mr. Ashish Bhope
Statutory and Peer Review Auditor of the Company	Legal Advisor to the issue
<b>Rajendra Sharma &amp; Associates.</b> Chartered Accountants 3032, Jash yarn & Textile Market, Ring Road, Surat-395002, Gujarat, India. <b>Tel No.:</b> +91-0261-2312322 <b>Email id:</b> rajtosh3032@yahoo.co.in <b>Contact Person:</b> Mr. Rajendra Sharma <b>Firm Registration No.:</b> 108390W <b>Membership No.:</b> 044393	<b>Mitesh M Shah</b> Flat No A-1, Monalisa Appartment. Opposite Tntv School. Athwa Gates. Surat - 39500 l. <b>Tel:</b> 0261-2465961 <b>Mo:</b> +91-9898045265 <b>Email Id:</b> advmiteshshah@yahoo.co.in <b>Contact Person:</b> Mr. Mitesh Shah <b>Bar Council No. :</b> G/1116/1991
Bankers to the Company	Bankers to the Company
<b>HDFC Bank Limited</b> <b>Address:</b> Ground Floor, UTC Building, Ring Road Surat <b>Phone No:</b> 9974936385 <b>Email Id:</b> neha.mehta@hdfcbank.com <b>Contact Person :</b> Neha Mehta <b>Designation:</b> Deputy Manager	<b>State Bank of India</b> <b>Address:</b> Begampura Branch, Harikamal Building, Nr. Moti Cinema, Surat. <b>Tel No.:</b> 7600039459 <b>Email:</b> ranjeetmishra@sbi.co.in <b>Contact Person:</b> Ranjeet Mishra <b>Designation:</b> Relationship Manager
Bankers to the Issue and Refund Banker	
[•]	

#### SELF CERTIFIED SYNDICATE BANKS

The SCSBs as per updated list available on SEBI's website [http://www.sebi.gov.in/cms/sebi\\_data/attachdocs/1365051213899.html](http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html). Investors are requested to refer the SEBI website for updated list of SCSBs and their designated branches.

#### REGISTERED BROKER

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

#### REGISTRAR TO THE ISSUE AND SHARE TRANSFER AGENTS

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

The list of the RTAs eligible to accept Applications Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>

## COLLECTING DEPOSITORY PARTICIPANTS (CDPs)

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

The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>

## STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES

Since Guinness Corporate Advisors Private Limited is the lead Manager to the issue, all the responsibility of the issue will be managed by them.

## CREDIT RATING

As this is an issue of Equity Shares there is no credit rating for this Issue.

## IPO GRADING

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

## FILLING DRAFT PROSPECTUS WITH THE BOARD AND THE REGISTER OF COMPANIES

A soft copy of Draft Prospectus is being submitted to SEBI. However, SEBI will not issue any observation on the offer document in term of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Further, a soft copy of the Prospectus along with due diligence certificate including additional confirmations shall be filed with SEBI at Western Regional Office, Unit No. 002, Ground Floor, SAKAR I, Near Gandhigram Railway Station, Opp. Nehru Bridge, Ashram Road, Ahmedabad – 380 009.

A copy of the Prospectus, along with the material contracts and documents referred elsewhere in the Draft Prospectus, will be delivered to the RoC Office situated at RoC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus-Stop, Naranpura, Ahmedabad – 380 013.

## CHANGE IN AUDITORS

There has been no change in the Auditors of the company.

## DEBENTURE TRUSTEE

As this is an issue of Equity Shares, the appointment of debenture trustees is not required.

## BROKERS TO THE ISSUE

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

## APPRAISAL AND MONITORING AGENCY

As per SEBI (ICDR) Regulations, 2018, appointment of monitoring agency is required only if Issue size exceeds ₹10,000 Lakh. Hence, our Company is not required to appoint a monitoring agency in relation to the issue. However, Audit Committee of our Company will be monitoring the utilization of the Issue Proceeds.

The object of the issue and deployment of funds are not appraised by any independent agency/bank/financial institution.

## UNDERWRITING AGREEMENT

This Issue is 100% Underwritten. The Underwriting agreement is dated February 22, 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 Lacs)	% of the Total Issue Size Underwritten
<b>Guinness Corporate Advisors Private Limited</b> Address: 18 Deshapriya Park Road, Kolkata - 700 026, West Bengal, India. Tel No: +91 - 33 - 3001 5555	44,48,000	1200.96	94.88

<b>Fax No:</b> +91 - 33 - 3001 5531 <b>Contact Person:</b> Mr. Devendra Shah <b>Email:</b> gcapl@guinnessgroup.net <b>Website:</b> www.guinessonline.net <b>Investor Grievance Email:</b> gcapl.mbd@guinnessgroup.net <b>SEBI Registration Number:</b> INM 000011930			
<b>Basan Financial Services Limited</b> <b>Address:</b> 3-6-65, 2nd floor, Beside Skyline Theatre, Basheerbagh, Hyderabad-500029 <b>Tel No:</b> (040) - 61645000 <b>Contact Person-</b> Mr. Nikhil Agarwal <b>Email:</b> mbd@basanonline.com <b>Website:</b> www.basanonline.com <b>SEBI Registration Number:</b> INM000011989	2,40,000	64.80	5.12
<b>Total</b>	<b>46,88,000</b>	<b>1265.76</b>	<b>100</b>

In the opinion of our Board of Directors (based on a certificate given by the Underwriters), the resources of the above mentioned Underwriter is 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 brokers with the Stock Exchanges.

#### **DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE**

Our Company and the Lead Manager have entered into a tripartite agreement dated February 22, 2019 with the following Market Maker, duly registered with BSE Limited to fulfill the obligations of Market Making:

##### **Basan Equity Broking Limited**

**Address:** 15-8-1/2/3, 2nd floor, Siddiamber Bazar, Hyderabad-500012

**Tel No:** (040) - 61645000

**Contact Person-** Mr. Nikhil Agarwal

**Email:** compliance@basanonline.com

**Website:** www.basanonline.com

**SEBI Registration Number:** INZ000197331

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

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

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

- 8) There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
- 9) The Market Maker(s) shall have the right to terminate said arrangement by giving a three months notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s).

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

- 10) Risk containment measures and monitoring for Market Makers: BSE SME Segment will have all margins which are applicable on the Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
- 11) Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 250 crores, the applicable price bands for the first day shall be:
- 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.
  - In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

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

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

- 12) Punitive Action in case of default by Market Makers: BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

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

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

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)

Upto ₹ 20 Crore	25%	24%
₹ 20 Crore To ₹ 50 Crore	20%	19%
₹ 50 Crore To ₹ 80 Crore	15%	14%
Above ₹ 80 Crore	12%	11%



## CAPITAL STRUCTURE

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

(₹ In lacs, except shares data)

Sr. No.	Particulars	Aggregate Value at Face Value (₹)	Aggregate Value at issue Price (₹) in lacs
<b>A.</b>	<b>AUTHORISED EQUITY CAPITAL</b>		
	1,50,00,000 Equity Shares of ₹10 each	1500.00	
<b>B.</b>	<b>ISSUED, SUBSCRIBED &amp; PAID - UP CAPITAL BEFORE THE ISSUE</b>		
	1,02,96,721 fully paid Equity Shares of ₹10 each	1029.67	
<b>C.</b>	<b>PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS#</b>		
	46,88,000 Equity Shares of ₹10 each at a premium of ₹17 per share	468.80	1265.76
	<b>Which Comprises</b>		
(I)	Reservation for Market Maker 2,40,000 Equity Shares of ₹10 each at a premium of ₹17 will be available for allocation to Market Maker	24.00	64.80
(II)	Net Issue to the Public 44,48,000 Equity Shares of ₹10 each at a premium of ₹17 per share	444.80	1200.96
	<b>Of Which</b>		
(I)	<b>Retail Portion</b> : 22,24,000 Equity Shares of ₹10 each at a premium of ₹17 per share shall be available for allocation for Investors applying for a value of upto ₹2 lacs	222.40	600.48
(II)	<b>Non Retail Portion</b> : 22,24,000 Equity Shares of ₹10 each at a premium of ₹17 per share shall be available for allocation for Investors applying for a value of above ₹2 lacs (includes Qualified Institution Buyers Portion)	222.40	600.48
<b>D.</b>	<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL AFTER THE PRESENT ISSUE</b>		
	1,49,84,721 Shares of ₹10 each	1498.47	
<b>E.</b>	<b>SHARE PREMIUM ACCOUNT</b>		
	Share Premium account before the Issue		-
	Share Premium account after the Issue		796.96

**Note:**

The present Public Issue of 46,88,000 Equity Shares which have been authorized by the Board of Directors of our Company at its meeting held on November 28, 2018 and was approved by the Shareholder of the Company by Special Resolution at the Extra Ordinary General Meeting held on December 13, 2018 as per the provisions of Section 62(1)(c) of the Companies Act, 2013.

**Class of Shares**

The company has only one class of shares i.e. Equity shares of ₹10 each only.

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

### Changes in Authorized Share Capital:

Sr. No.	Particulars of Increase	Cumulative no. of equity shares	Cumulative Authorised Share Capital	Date of Meeting	Whether AGM/EGM
1.	On incorporation	1,10,00,000	11,00,00,000	-	-
2.	Increase from Rs.11.00 Crores to Rs.15.00 Crores	1,50,00,000	15,00,00,000	December 13, 2018	EGM

#### Notes to the Capital Structure:

##### 1. Share Capital History:

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

Date	No. of Equity Shares Allotted	Face Value (₹)	Issue Price (₹)	Consideration	Remarks	Cumulative Number of Equity Shares	Cumulative paid up share capital (In ₹)	Cumulative Share Premium (In ₹)
September 20, 2018	1,02,96,721	10	10	Other than cash	Subscribers to the Memorandum*	1,02,96,721	10,29,67,210	-

#### Note:

\*Initial Subscribers to Memorandum of Association subscribed 1,02,96,721 Equity Shares of face value of Rs. 10/- each fully paid at par against the outstanding credit balance of Partners Capital pursuant to conversion of partnership firm M/s Anand Enterprise into Company under Part I chapter XXI of the Companies Act, 2013, Details of which are given below:

Sr. No.	Name of Share Holders	No. of Shares
1.	Mr. Gokul Bakshi	36,86,195
2.	Mr. Anand Bakshi	35,05,920
3.	Mrs. Shilpa Bakshi	10,04,860
4.	Mrs. Vasuben Bakshi	19,13,880
5.	Mrs. Hema Mishra	1,75,542
6.	Mrs. Jigisha Chorawala	504
7.	Mrs. Nilaben Gandhi	9,820
	<b>Total</b>	<b>1,02,96,721</b>

##### 2. SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH:

Details of Equity Shares issued for consideration other than cash are as follow.

Date of Allotment	Nature of Issue	Number of Equity Shares Issued	Face value (₹)	Total Capital Issued other than Cash
September 20, 2018	Subscription to Memorandum of Association	1,02,96,721	10	10,29,67,210

- No Equity Shares have been allotted pursuant to any scheme approved under Section 230-233 of the Companies Act, 2013.
- Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
- Except the following, our Company has not issued any Equity Shares during the preceding one year at a price lower than the issue price.

Sr. No.	Name of Share Holders	No. of Shares
1.	Mr. Gokul Bakshi*	36,86,195
2.	Mr. Anand Bakshi	35,05,920
3.	Mrs. Shilpa Bakshi	10,04,860
4.	Mrs. Vasuben Bakshi	19,13,880

5.	Mrs. Hema Mishra	1,75,542
6.	Mrs. Jigisha Chorawala	504
7.	Mrs. Nilaben Gandhi	9,820
	<b>Total</b>	<b>1,02,96,721</b>

\*Mr. Gokul Bakshi expired on January 18, 2019.

6. As on the date of this Draft Prospectus, our Company does not have any Preference Share Capital.

#### 7. Share Capital Built-up of our Promoter & Lock-in

The following is the Equity share capital built-up of our Promoters.

Date of Allotment / Transfer	Nature of Issue/ Allotment (Bonus, Rights etc)	Consideration	No. of Equity Shares	Cumulative No. of Equity Shares	Face Value (₹)	Issue/Transfer price	% of total Issued Capital		Lock in Period
							Pre-Issue	Post-Issue	
<b>(i) Mr. Anand Bakshi</b>									
September 20, 2018	Subscriber to Memorandum	Other than Cash	35,05,920	30,00,000	10	N.A.	29.14	20.02	3Year
				5,05,920	10	N.A.	4.91	3.38	1 Year
	<b>Total (A)</b>		<b>35,05,920</b>				<b>34.05</b>	<b>23.40</b>	

As per Regulation 238(a) of the SEBI ICDR Regulations and in terms of the aforesaid table, an aggregate of 20.02 % of the post-Issue Equity Share Capital of our Company i.e. 30,00,000 Equity Shares shall be locked in by our Promoter for three years. The lock-in shall commence from the date of allotment in the proposed public issue and the last date of lock-in shall be reckoned as three years from the date of commencement of commercial production or the date of allotment in the public issue whichever is later. (“**Minimum Promoters’ contribution**”).

The Promoters’ contribution has been brought in to the extent of not less than the specified minimum amount and has been contributed by the persons defined as Promoter under the SEBI ICDR Regulations. Our Company has obtained written consents from our Promoter for the lock-in of 30,00,000 Equity Shares for three years.

We confirm that the minimum Promoters’ contribution of 20.02 % as per Regulation 236 of the SEBI ICDR Regulations which is subject to lock-in for three years 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.;
- Equity Shares acquired during the preceding three years resulting from a bonus issue by utilisation of revaluation reserves or unrealized profits of the issuer or from bonus issue against equity shares which are ineligible for minimum Promoters’ contribution;
- Equity Shares acquired by Promoter during the preceding one year at a price lower than the price at which equity shares are being offered to public in the Issue except below

Name of Promoter	Date of Allotment	Nature of Issue / Allotment (Bonus, Rights etc.)	Consideration	No of Equity Shares
Anand Bakshi	September 20, 2018	Subscriber to Memorandum	Other than Cash	35,05,920

As per provision of Regulation 237(c) the shares issued during the preceding one year at a price lower than the issue price are eligible for minimum promoter contribution, if the shares are issued against the capital existing in partnership firm for a period of more than one year on a continuous basis and the partners of the partnership firm are the promoters of the issuer and there is no change in the management. The 35,05,920 shares issued to the promoter are against the capital in the partnership firm for a period of more than one year on a continuous basis and he is the promoter of the issuer and there is no change in the management .

- Further, our Company has been formed by the conversion of a partnership firm into a company and no Equity Shares have been allotted pursuant to any scheme approved under Section 230-233 of the Companies Act, 2013.
- No Equity shares are pledged with any creditor.

#### 8. Equity Shares locked-in for one year held by promoters

In addition to 20.02% of the post-Issue shareholding of our Company locked-in for three years as the minimum Promoters' contribution, the balance Pre-Issue Paid-up Equity Share Capital held by promoter i.e. 5,05,920 Equity Shares, as per regulation 238(b) of ICDR Regulations would be locked-in for a period of one year from the date of Allotment in the proposed Initial Public Offering.

**9. Equity Shares locked-in for one year held by persons other than promoters**

In terms of Regulation 239 of the SEBI (ICDR) Regulations, 2018, the entire pre-issue capital held by the Persons other than the Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer. Accordingly 67,90,801 Equity shares held by the Persons other than the Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer.

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

In terms of Regulation 243 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters' prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 239 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable.

In terms of Regulation 243 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked in as per the provisions of Regulation 238 of the SEBI ICDR Regulations, may be transferred to and amongst Promoters / members of the Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable.

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

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

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

**12. Inscription or recording of non-transferability :**

In terms of regulations 241 of the SEBI(ICDR) Regulations, 2018, our Company confirms the securities issued in dematerialized form then the lock-in is recorded by the depository.

**13.** 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.

**14.** Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.

**15. Our shareholding pattern**

The shareholding pattern of our Company before the issue as per Regulation 31 of the SEBI LODR Regulations, 2015 is given here below:

**i. Summary of Shareholding Pattern:**

Category (I)	Category of shareholder (II)	Nos of shareholders (III)	No of fully paid-up equity shares held (IV)	No of Partly paid-up equity shares held (V)	No of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares(calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No of Voting Rights	Class eg: X	Class eg: Y			Total as a % of (A+B+C)	No. (a)	As a % of total shares held (b)	No. (a)		As a % of total shares held (b)
(A)	Promoter & Promoter Group	7	1,02,96,721	0	0	1,02,96,721	100.00	0	0	0	0	100.00	0	0	N.A	N.A	1,02,96,217	
(B)	Public	0	0	0	0	0	0.00	0	0	0	0	0.00	0	0	N.A	N.A	0	
(C)	Non Promoter-Non Public	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0	
(C1)	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0	
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0	
		7	1,02,96,721	0	0	1,02,96,721	100.00	0	0	0	0	100.00	0	0	N.A	N.A	1,02,96,217	

ii. Shareholding Pattern of the Promoter and Promoter Group:

Sr. No. (I)	Category & Name of the shareholders (II)	Nos of shareholder (III)	No of fully paid-up equity shares held (IV)	Partly paid-up equity shares held (V)	No of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957) As a % of (A+B+C 2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VI I)+(X) as a % of (A+B+C 2)	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 Total Voting Rights	No. (a)	As a % of total shares held (b)	No. (a)		As a % of total shares held (b)
								Class X	Class Y	Total								
(1)	<b>Indian</b>																	
(a)	<b>Individuals/H.U.F</b>	<b>7</b>	<b>1,02,96,721</b>	<b>0</b>	<b>0</b>	<b>1,02,96,721</b>	<b>100.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100.00</b>	-	-	-	-	<b>1,02,96,217</b>
1	Mr. Gokul Bakshi		36,86,195	0	0	36,86,195	35.80	-	-	-	-	-	35.80	-	-	-	-	36,86,195
2	Mr. Anand Bakshi		35,05,920	0	0	35,05,920	34.05	-	-	-	-	-	34.05	-	-	-	-	35,05,920
3	Mrs. Shilpa Bakshi		10,04,860	0	0	10,04,860	9.76	-	-	-	-	-	9.76	-	-	-	-	10,04,860
4	Mrs. Vasuben Bakshi		19,13,880	0	0	19,13,880	18.59						18.59					19,13,880
5	Mrs. Hema Mishra		1,75,542	0	0	1,75,542	1.70						1.70					1,75,542
6	Mrs. Jigisha Chorawala		504	0	0	504	Negligible						Negligible					
7	Mrs. Nilaben Gandhi		9,820	0	0	9,820	0.10						0.10					9,820
(b)	Central/State Government(s)	0	0	0	0	0	0.00	0	0	0	0	0	0.00	-	-	-	-	0
(c)	Financial	0	0	0	0	0	0.00	0	0	0	0	0	0.00	-	-	-	-	0

	Institutions/Banks																	
(d)	Any Other (Specify)	0	0	0	0	0	0	0	0	0	0	0	0.00	-	-	-	-	0
	Bodies Corporate	0	0	0	0	0	0	0	0	0	0	0	0	-	-	-	-	0
	<b>Sub- Total (A)(1)</b>	<b>7</b>	<b>1,02,96,721</b>	<b>0</b>	<b>0</b>	<b>1,02,96,721</b>	<b>100.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,02,96,217</b>
(2)	<b>Foreign</b>																	
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0.00	0	0	0	0	0	0	-	-	-	-	0
(b)	Government	0	0	0	0	0	0.00	0	0	0	0	0	0	-	-	-	-	0
(c)	Institutions	0	0	0	0	0	0.00	0	0	0	0	0	0	-	-	-	-	0
(d)	Foreign Portfolio Investor	0	0	0	0	0	0.00	0	0	0	0	0	0	-	-	-	-	0
(e)	Any Other (Specify)	0	0	0	0	0	0.00	0	0	0	0	0	0	-	-	-	-	0
	<b>Sub- Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>7</b>	<b>1,02,96,721</b>	<b>0</b>	<b>0</b>	<b>1,02,96,721</b>	<b>100.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,02,96,217</b>

iii. Shareholding Pattern of our Public Shareholder:

Sr. No.	Category & Name of the shareholders (I)	PAN (II)	Nos of shareholder (III)	No of fully paid-up equity shares held (IV)	Partly paid-up equity shares held (V)	No of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957) As a % of (A+B+C 2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VI I)+(X) as a % of (A+B+C 2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)	As a % of total shares held (Not applicable)(b)	Number of equity shares held in dematerialized form (XIV)		
									No of Voting Rights					Total as a % of Total Voting Rights	No. (a)				As a % of total shares held (b)	No. (Not applicable) (a)
									Class X	Class Y	Total									
(1)	<b>Institutions</b>																			
(a)	Mutual Fund/UTI	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(b)	Venture Capital Funds	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(c)	Alternate Investment Funds	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(d)	Foreign Venture Capital Investors	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(e)	Foreign Portfolio Investors	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(f)	Financial Institutions Banks	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(g)	Insurance Companies	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(h)	Provident Funds/Pension Funds	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(i)	Any Other (specify)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		



	<b>Sub- Total (B)(1)</b>		0	0	0	0	0	0	0	0	0	0	0	0	0	-	-	-	0
(2)	<b>Central Government/State Government(s)/President of India</b>		0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub- Total (B)(2)</b>		0	0	0	0	0	0	0	0	0	0	0	0	0	-	-	-	0
(3)	<b>Non- Institutions</b>		0	0	0	0	0	0.00	0	0	0	0	0	0	0	-	-	-	-
(a)	<b>Individuals - i. Individual shareholders holding nominal share capital up to Rs.2 lakhs.</b>		0	0	0	0	0	0.00	0	0	0	0	0	0	0	-	0	-	-
	<b>ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.</b>		0	0	0	0	0	0.00	0	0	0	0	0	0	0	-	0	-	-
(b)	NBFCs registered with RBI		0	0	0	0	0	0.00	0	0	0	0	0	0	0	-	-	-	0
(c)	Employee Trust		0	0	0	0	0	0.00	0	0	0	0	0	0	0	-	-	-	0
(d)	Overseas Depositories (holding DRs) (balancing figure)		0	0	0	0	0	0.00	0	0	0	0	0	0	0	-	-	-	0
(e)	Any Other (Specify)		0	0	0	0	0	0.00	0	0	0	0	0	0	0	-	-	-	0
	<b>Sub- Total (B)(3)</b>		0	0	0	0	0	0.00	0	0	0	0	0	0	0	-	-	-	0
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)</b>		0	0	0	0	0	0.00	0	0	0	0	0	0	0	-	-	-	-

iv. Statement showing shareholding pattern of the Non Promoter-Non Public Shareholder:

Sr. No.	Category & Name of the shareholders (I)	PAN (II)	Nos of share holder (III)	No of fully paid-up equity shares held (IV)	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 (IX)			No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)		
									No of Voting Rights					Total as a % of Total Voting Rights	No.	As a % of total shares held	No. (Not applicable)		As a % of total shares held (Not applicable)	
									Class : X	Class : Y	Total									
(1)	<b>Custodian/DR Holder</b>																			
(a)	Name of DR Holder (If available)	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-	-	0	0
	<b>Sub total (C) (1)</b>	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-	-	0	0
(2)	<b>Employee Benefit Trust (Under SEBI (Share based Employee</b>	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-	-	0	0

	<b>Benefit ) Regulations, 2014)</b>																		
	<b>Sub total (C) (2)</b>	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-	-	
	<b>Total Non- Promoter – Non Public Shareholdin g(C) = (C) (1)+©(2)</b>	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-	-	0

PAN of the Shareholders will be provided by our Company to the Stock Exchange.

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

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

Sr. No.	Name of share holder	Pre issue		Post issue	
		No of equity shares	As a % of Issued Capital	No of equity shares	As a % of Issued Capital
<b>(i) Promoters</b>					
1.	Mr. Anand Bakshi	35,05,920	34.05	35,05,920	23.40
	<b>Total (A)</b>	<b>35,05,920</b>	<b>34.05</b>	<b>35,05,920</b>	<b>23.40</b>
<b>(ii) Promoter Group</b>					
2.	Mrs. Shilpa Bakshi	10,04,860	9.76	10,04,860	6.71
3.	Mr. Gokul Bakshi	36,86,195	35.80	36,86,195	24.60
4.	Mrs. Vasuben Bakshi	19,13,880	18.59	19,13,880	12.76
5.	Mrs. Hema Mishra	1,75,542	1.70	1,75,542	1.17
6.	Mrs. Jigisha Chorawala	504	Negligible	504	Negligible
7.	Mrs. Nilaben Gandhi	9,820	0.10	9,820	0.07
	<b>Total (B)</b>	<b>67,90,801</b>	<b>65.95</b>	<b>67,90,801</b>	<b>45.31</b>
	<b>Total (A+B)</b>	<b>1,02,96,721</b>	<b>100.00</b>	<b>1,02,96,721</b>	<b>68.71</b>
<b>(iii) Public</b>					
	-	-	-	-	-
	<b>IPO (C)</b>	-	-	<b>46,88,000</b>	<b>31.29</b>
	<b>Grand Total (Total A+B+C)</b>	<b>1,02,96,721</b>	<b>100.00</b>	<b>1,49,84,721</b>	<b>100.00</b>

17. 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 the Draft Prospectus until the Equity Shares have been listed. Further, our Company presently does not have any intention or proposal to alter our capital structure within a period of six months from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise except that if we enter into acquisition(s) or joint ventures, we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.

18. During the past six months immediately preceding the date of filing Draft Prospectus no Equity shares of the company have been purchased or sold by our Promoter, their relatives and associates, persons in Promoter Group as defined under sub clause (pp) sub regulation (1) Regulation 2 of SEBI (ICDR) Regulations other than stated below (allotted as subscribers to the Memorandum) :

Sr. No.	Name of Share Holders	No. of Shares
1.	Mr. Gokul Bakshi	36,86,195
2.	Mr. Anand Bakshi	35,05,920
3.	Mrs. Shilpa Bakshi	10,04,860
4.	Mrs. Vasuben Bakshi	19,13,880
5.	Mrs. Hema Mishra	1,75,542
6.	Mrs. Jigisha Chorawala	504
7.	Mrs. Nilaben Gandhi	9,820
	<b>Total</b>	<b>1,02,96,721</b>

19. The members of the Promoter Group, our Directors or the relatives of our Directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the six months preceding the date of filing of the Draft Prospectus.

20. Our Company, our Promoter, our Directors and the Lead Manager to this Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares issued by our Company through the Draft Prospectus.

21. There are no safety net arrangements for this public issue.
22. As on the date of filing of the Draft Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
23. All the Equity Shares of our Company are fully paid up as on the date of the Draft Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up equity shares.
24. As per RBI regulations, OCBs are not allowed to participate in this Issue.

**25. Particulars of top ten shareholders:**

**a) Particulars of the shareholders holding 1% or more of the paid up capital of the Company as on the date of the Draft Prospectus:**

Sr. No.	Name of shareholder	No. of Shares	% of Shares to Pre-Issue Capital
1.	Mr. Gokul Bakshi	36,86,195	35.80
2.	Mr. Anand Bakshi	35,05,920	34.05
3.	Mrs. Shilpa Bakshi	10,04,860	9.76
4.	Mrs. Vasuben Bakshi	19,13,880	18.59
5.	Mrs. Hema Mishra	1,75,542	1.70
	<b>Total</b>	<b>1,02,86,397</b>	<b>99.90</b>

**b) Particulars of shareholders holding 1% or more of the paid up capital of the Company ten days prior to the date of the Draft Prospectus:**

Sr. No.	Name of shareholder	No. of Shares	% of Shares to Pre-Issue Capital
1.	Mr. Gokul Bakshi	36,86,195	35.80
2.	Mr. Anand Bakshi	35,05,920	34.05
3.	Mrs. Shilpa Bakshi	10,04,860	9.76
4.	Mrs. Vasuben Bakshi	19,13,880	18.59
5.	Mrs. Hema Mishra	1,75,542	1.70
	<b>Total</b>	<b>1,02,86,397</b>	<b>99.90</b>

**c) Particulars of shareholders holding 1% or more of the paid up capital of the Company two years prior to the date of the Draft Prospectus.**

Our Company was converted from partnership firm in to Public Limited Company on September 20, 2018 hence shareholders holding 1% or more of the paid up capital of the Company two years prior to the date of filing of this Prospectus is not applicable.

**d) Particulars of shareholders holding 1% or more of the paid up capital of the Company One Year prior to the date of the Draft Prospectus.**

Our Company was converted from partnership firm in to Public Limited Company on September 20, 2018 hence shareholders holding 1% or more of the paid up capital of the Company one year prior to the date of filing of this Prospectus is not applicable.

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 Issue Proceeds.
27. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
28. An Applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.

- 29.** No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
- 30.** We have 7 shareholders as on the date of filing of the 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 or right issue since its incorporation.
- 33.** Neither the Lead Manager, nor their associates hold any Equity Shares of our Company as on the date of the Draft Prospectus.
- 34.** Our Company shall ensure that transactions in the Equity Shares by the Promoter and the Promoter Group between the date of registering Prospectus with the Registrar of Companies and the Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction.

**SECTION IV - PARTICULARS OF THE ISSUE**  
**OBJECTS OF THE ISSUE**

The objects of the Issue are:

1. Incremental Working capital requirements
2. General Corporate Purpose,
3. Meeting Public Issue Expenses.

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

The main object clause of Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised by us through the present Issue.

**FUND REQUIREMENTS**

We intend to utilize the proceeds of the Fresh Issue, in the manner set forth below:

**Requirement of Funds**

(₹ In Lacs)

Sr. No.	Particulars	Amount	% of the Total Issue Size
1)	Incremental Working capital requirements	875	69.13
2)	General Corporate Purpose	316	24.97
3)	Public Issue Expenses	74.76	5.91
	<b>Total</b>	<b>1265.76</b>	<b>100.00</b>

**Means of Finance**

(₹ In Lacs)

Sr. No.	Particulars	Amount
1)	Proceeds from Initial Public Offer	1265.76
	<b>Total</b>	<b>1265.76</b>

We propose to meet the requirement of funds for the stated objects of the Issue from the IPO Proceeds. Hence, no amount is required to be raised through means other than the Issue Proceeds. Accordingly, the requirements under Regulation 230 (1) (e) of the SEBI ICDR Regulations and Clause 9(c) of Part A of Schedule VI of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals) are not applicable.

Our fund requirements and deployment thereof are based on the estimates of our management. These are based on current circumstances of our business and are subject to change in light of changes in external circumstances or costs, or in our financial condition and business or strategy. Our management, in response to the dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of proceeds. In case of a shortfall in the Net Proceeds, our management may explore a range of options which include utilisation of our internal accruals, debt or equity financing. Our management expects that such alternate arrangements would be available to fund any such shortfall.

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

**DETAILS OF THE OBJECTS OF THE ISSUE**

**1) LONG TERM WORKING CAPITAL REQUIREMENTS**

The Company is trading into yarns. On account of paucity of funds, the company is taking average credit period of 25 days from the suppliers and not getting good discount on purchase of our raw material.

As on March 31, 2018, the Company's net working capital requirement was Rs. 4067.37 Lakhs as against the Rs. 3603.02 lakhs as on March 31, 2017. The Net working capital requirement for current financial year F.Y. 2018-19 is estimated to be Rs. 5083.64 Lakhs and the incremental working capital requirement of Rs. 875 Lakhs will be met through the Public issue. As on the date of this Draft Prospectus we meet our working capital requirements in the ordinary course of its business from capital and Long Term Borrowings etc.

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

(₹ In Lacs)

Particulars	F.Y. 2017	2016-2017	F.Y. 2018	2017-2018	For period Up to 20.09.2018	For projected 2019-20
Current Assets						
Finished Goods		267.64		236.74	243.70	345.21
Trade Receivables		5368.16		5470.86	5710.40	6472.60
Short Term Loans and Advances		74.19		152.80	48.51	175.00
Cash and Bank Balance		22.86		11.51	0.03	10.56
Total Currents Assets (A)		5732.85		5871.91	6002.64	7003.37
Less: Current Liabilities						
Trade Payables		1801.94		1414.03	1640.13	1639.73
Other Current Liabilities		264.29		309.79	344.31	332.19
Short Term Provisions		63.60		80.72	39.88	80.00
Total Current Liabilities (B)		2129.83		1804.54	2024.32	2051.92
<b>NET WORKING CAPITAL REQUIREMENTS (A-B)</b>		3603.02		4067.37	3978.32	4951.45
Funding Pattern						
Working Capital from Bank		1735.12		1951.77	1901.87	2000.00
Balance by Equity and Long Term Borrowings		1867.90		2115.60	2076.45	2076.45
<b>Total Funding</b>		3603.02		4067.37	3560.91	
<b>Additional funding through IPO</b>						875.00
<b>Total Funding</b>						4951.45

Assumptions for working capital requirements

Particulars	No. of days outstanding or holding level as on		F.Y. 2018-19 (current year)	Justification for Holding
	F.Y. 2016-2017	F.Y.2017-18		
Finished Goods	4	3	4	Estimate for 2018-19 is on the basis of past two years stocking period. July 2018 figures are not comparable with the full year operation.
Trade Receivables	72	77	59	Estimate for 2018-19 is on the basis of past two years outstanding Debtors. July 2018 figures are not comparable with the full year operation.
Trade Payables	25	21	8	Estimate for 2018-19 is on the basis of past two years outstanding liabilities. July 2018 figures are not comparable with the full year operation

## 2) GENERAL CORPORATE PURPOSE :

The application of the Issue proceeds for general corporate purposes would include but not restricted to financing our working capital requirements, capital expenditure, deposits for hiring or otherwise acquiring business premises,



meeting exigencies etc. which we in the ordinary course of business may incur. Our Management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to use Rs. 316.00 lacs for general corporate purposes.

### 3) PUBLIC ISSUE EXPENSES :

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, advertising expenses and listing fees. The estimated Issue expenses are as follows:

(₹ in lacs)

Expenses to the issue	Estimated expenses	% to the issue Expenses	% to the total issue Size
Lead Manger Fees including Underwriting Commission.	44.00	58.86	3.48
Brokerage, selling commission and upload fees	1.50	2.01	0.12
Registrar to the Issue	0.60	0.80	0.05
Legal Advisors	0.50	0.67	0.04
Advertising and marketing expenses	2.00	2.68	0.16
Regulators including stock exchanges	5.40	7.22	0.43
Printing and distribution of issue stationary	1.76	2.35	0.14
Other expenses	19.00	25.41	1.50
<b>Total estimated issue related expenses</b>	<b>74.76</b>	<b>100.00</b>	<b>5.91</b>

#### Schedule of Implementation

All funds raised through this issue, are proposed to be utilized in the F.Y. 2019-20 itself. The detailed breakup of the funds to be utilised year wise as follow.

Sr. No.	Particulars	Object of the Issue	Amount Spent January 31,2019	Amount to be Spend February 01,2019 onwards in F.Y. 2018-19	FY 2019-20
1)	Incremental Working capital requirements	875.00	0		875.00
2)	General Corporate Purpose	316.00	0		316.00
3)	Public Issue Expenses	74.76	0	74.76	
	<b>Total</b>	<b>1265.76</b>	<b>0</b>	<b>74.76</b>	<b>1191.00</b>

#### Deployments of funds already deployed till date:

As certified by the Auditors of our Company, viz. Rajendra Sharma & Associates Chartered Accountants vide its certificate dated February 14, 2019 the funds deployed up to January 31, 2019 towards the object of the Issue is.

#### Details of Fund Deployment

(₹ in Lacs)

Sr. No.	Particulars	Object of the Issue	Amount spent upto January 31, 2019
1)	Long term Working capital requirement	875.00	Nil
2)	General Corporate Purpose	316.00	Nil
3)	Public Issue Expenses	74.76	Nil
	<b>Total</b>	<b>1265.76</b>	

#### Appraisal Report

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

### **Bridge Financing Facilities**

We have currently not raised any bridge loans against the Net Proceeds. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of the Issue Proceeds.

### **Interim Use of Funds**

Pending utilisation for the purpose described above, we intend to deposit the funds with Scheduled Commercial banks included in the second schedule of Reserve Bank of India Act, 1934. Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets.

### **Variation on Objects**

In accordance with Section 13(8) and 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the issue without our Company being authorised to do so by the shareholders by way of Special Resolution through postal ballot. Our promoter or controlling shareholders will be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as prescribed by SEBI, in this regard.

### **Shortfall of Funds**

In case of a shortfall in the Net Proceeds, our management may explore a range of options which include utilisation of our internal accruals, debt or equity financing. Our management expects that such alternate arrangements would be available to fund any such shortfall.

### **Monitoring of Issue proceeds**

As the size of the Issue does not exceed ₹ 10,000 Lacs, the appointment of Monitoring Agency is not required as per Regulation 262(1) of the SEBI ICDR Regulations. Our Board and the management will monitor the utilization of the Net Proceeds through its Audit Committee.

Pursuant to Regulation 32(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 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.

## BASIS FOR ISSUE PRICE

The Issue Price is determined by our Company in consultation with the Lead Manager. The financial data presented in this section are based on our Companies restated financial statements. Investors should also refer to the sections titled "Risk Factors" and "Financial Information" on page nos. 12 and 89 respectively, of the Draft Prospectus to get a more informed view before making the investment decision.

### Qualitative Factors

For details of Qualitative factors please refer to the paragraph "Our Competitive Strengths" in the chapter titled "Business Overview" beginning on page no. 60 of the Draft Prospectus.

### Quantitative Factors

Information presented in this chapter is derived from our Restated Financial Statements

#### 1. Standalone Basic & Diluted Earnings Per Share (EPS) ( pre Bonus)#:

Period	Basic EPS (₹)	Weighted
Fiscal 2016	0.85	1
Fiscal 2017	1.57	2
Fiscal 2018	2.00	3
<b>Weighted Average</b>	1.67	
Period ended on September 20, 2018 (not Annualized)	1.06	

**Note #** Basic earnings per share (₹) = Net profit after tax (as restated) attributable to shareholders divided by Weighted average number of equity shares outstanding during the year.

# The face value of each Equity Share is ₹ 10.

#### 2. Standalone Price to Earnings (P/E) ratio in relation to Issue Price of ₹ 27 :

Particulars	P/E at the Issue Price (₹ 27)
a. Based on 2017-18 basic EPS of ₹ 2.00	13.50
b. Based on weighted average basic EPS of ₹1.67	16.22

#### 3. Standalone Return on Net Worth#

Period	Return on Net Worth (%)	Weights
Year ended March 31, 2016	8.54	1
Year ended March 31, 2017	15.73	2
Year ended March 31, 2018	16.65	3
<b>Weighted Average</b>	<b>13.57</b>	
Period ended on September 20, 2018 (not Annualized)	<b>8.53</b>	

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

#### 5. Net Asset Value per Equity Share

Particular	March 31, 2018 Amount (in ₹)
NAV per Equity Share	12.11
NAV after issue	16.77
Issue Price per Equity Share	27

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

#### 6. Comparison of Accounting Ratios with peer group on standalone basis.

Name of the company	Market price	Face	EPS (₹) Basic	P/E	RoNW (%)	NAV per Equity Share (₹)	Income (in Lacs )

Anand Rayons Limited (March 31, 2018)		10	2.00	13.00	16.65	12.11	25959.04
<b>Peer Group #</b>							
Shiva Taxyarn Limited	135.20	10	8.74	15.47	10.57	85.17	35879.80
Jakharia Fabrics Limited	181.00	10	5.20	34.81	6.20	72.73	8397.07

# The Figures of the peer Group companies for the FY 2017-18 are taken from the annual reports on website of the Company. The share Price of the peer group companies are as on February 14, 2019. The peer group are in the textile sector but they are involved in manufacturing activities and not trading activities. Our Company is in trading of Yarn and strict comparable peer group company is not available for comparison.

The face value of Equity Shares of our Company is ₹ 10 per Equity Share and the Issue price is 2.7 times the face value.

The Issue Price of ₹ 27 is determined by our Company, in consultation with the Lead Manager and is justified by the Company in consultation with the Lead Manager on the basis of above information. For further details, please refer to the section titled "Risk Factors" and chapters titled "Business Overview" and "Financial Information" beginning on page nos. 12, 60 and 89, respectively of the Draft Prospectus.

## STATEMENT OF POSSIBLE TAX BENEFITS

### STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

To

**The Board of Directors,**

**Anand Rayons Limited**

305-306, Jay Sagar Complex,

Opp. Sub Jail, Khatodra,

Surat Gujarat-395002

Dear Sirs,

**Sub: Statement of possible special tax benefits (“the Statement”) available to Anand Rayons Limited (“the Company”) and its shareholders prepared in accordance with the requirements in Clause (9) (L) of Schedule VI of the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018**

We hereby report that the enclosed statement states the possible tax benefits available to the Company and to the shareholders of the Company under the Direct Taxes and Indirect taxes including amendments made , if any, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the benefits is dependent upon fulfillment of such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

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

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

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

**For Rajendra Sharma & Associates,  
Chartered Accountants**

**Rajendra Sharma**

**Partner**

**Mem no.044393**

**Firm Reg. No 108390W**

**Place: Surat**

**Date: February 14, 2019**

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

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India for the Financial Year 2018-19.

**A. SPECIAL TAX BENEFITS TO THE COMPANY AND TO THE SHAREHOLDERS (UNDER THE DIRECT TAXES)**

**NIL**

**B. SPECIAL TAX BENEFITS TO THE COMPANY AND TO THE SHAREHOLDERS (UNDER THE INDIRECT TAXES)**

**NIL**

**Notes:**

- i. All the above benefits are as per the Current Tax Laws and any change or amendment in the laws/regulation, which when implemented would impact the same.
- ii. The possible special tax benefits are subject to conditions and eligibility criteria which need to be examined for tax implications.
- iii. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We will not be liable to any other person in respect of this statement.

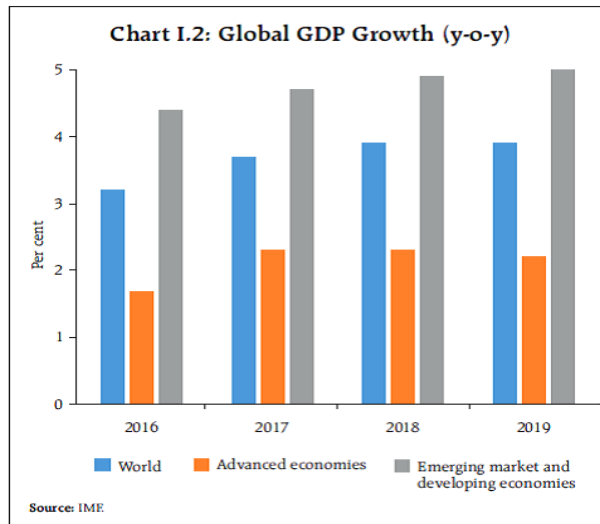
## SECTION V - ABOUT THE COMPANY

### INDUSTRY OVERVIEW

Disclaimer: Pursuant to the requirements of the SEBI ICDR Regulations, the discussion on the business of our company in this Draft Prospectus consists of disclosures pertaining to industry grouping and classification. The industry grouping and classification is based on our company's own understanding and perception and such understanding and perception could be substantially different or at variance from the views and understanding of third parties. Our company acknowledges that certain product/services described in the Draft Prospectus could be trademarks, brand names and/ or generic names of products owned by third parties and the reference to such trademarks, brand names and/or generic names in the Draft Prospectus is only for the purpose of describing the products. The industry data has been collated from various industry and/or research publications and from information available from the World Wide Web. The information in this section is derived from various government/Industry Association publications and other sources. Neither we, nor any other person connected with the issue has verified this information. Industry sources and publications 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.

### GLOBAL SCENARIO

The pace of global economic activity in 2017 turned out to be stronger than expected due to robust growth in the advanced economies (AEs) and significantly stronger growth in EMEs. Global growth is expected to accelerate further in 2018, benefitting from the boost to investment demand in the US from corporate tax cuts, robust recovery in the euro area and generally improved growth outlook in EMEs (Chart I.2). The sharp recovery in world trade is expected to sustain in 2018 and enlarge the prospects of another year of strong and resilient global activity.



The US economy slowed in Q4:2017 on surging imports and depleting inventories, after growing at a robust pace in Q3 on the back of strong private consumption, investment activity and net exports. For the year 2017 as a whole, GDP grew at 2.3 per cent, accelerating from 1.5 per cent in the preceding year. Labour market conditions improved further with the unemployment rate falling to a low of 4.1 per cent. Industrial production also registered a robust growth driven largely by mining activity. These developments in conjunction with rising consumer confidence and higher disposable incomes due to tax cuts should support growth. However, the impact of the tax cuts on the fiscal balance and the ramifications from a potential trade war remain major risks to the outlook.

During H2:2017 and Q1:2018, global commodity price movements have largely reflected commodity specific demand-supply imbalances and the movement of the US dollar. The Bloomberg commodity index increased by 3.6 per cent during October to March 2018.

The food price index of the Food and Agriculture Organization (FAO) fell by 3.2 per cent on account of decline in prices of sugar and dairy products. International sugar prices, in particular, came under considerable downward

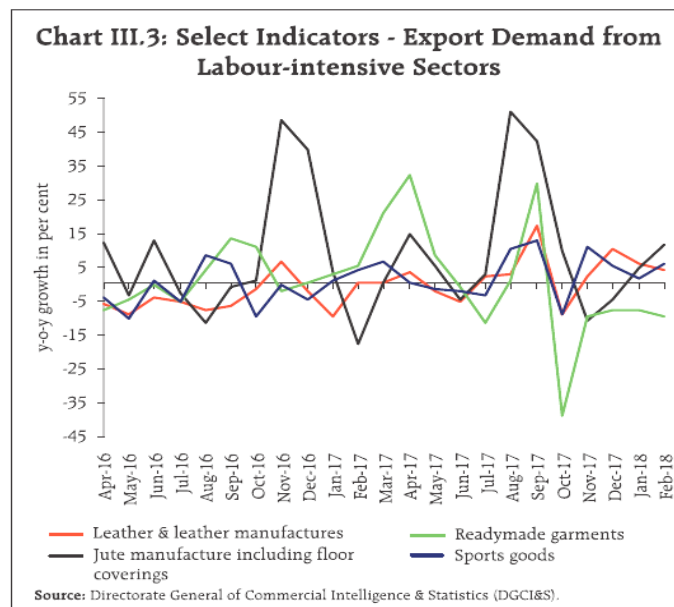
pressure mostly because of record levels of output in major producing countries, which released substantial export surpluses. Crude oil prices surged by around 22 per cent over the last six months with Brent touching a three year high in January on strong demand riding the improving outlook for global economic activity, especially manufacturing and reduced supplies as cuts in production by OPEC and Russia offset the ramped up shale production in the US. The weak US dollar has also provided a fillip. Gold prices, which had started rising since mid-December due to the weak US dollar, fell to a two month low at the beginning of March on the outlook for the US economy turning brighter. However, safe haven demand triggered by fears of a trade war led to firming up of prices.

The composite PMI indicates economic growth remained robust across most economies in Q1:2018. The composite leading indicators (CLIs) of Organisation for Economic Co-operation and Development (OECD) point to prospects of growth strengthening in the euro area, Russia, Brazil and Japan, and remaining stable in the US and China.

Global economic activity has been witnessing a broadbased cyclical upturn. The acceleration in global trade outpacing global growth is a welcome development. Inflation remains below policy target levels in many key economies despite rise in some commodity prices and improving demand outlook, while monetary policy stances remain diverse. The recent volatility in financial markets stemming mainly from the uncertainty over the pace of normalisation of monetary policy in AEs could pose a challenge to the EMEs, while fears of rising trade protectionism have clouded the global trade outlook.

Short-term adverse effects of demonetization and the implementation of the GST have taken their toll on output and employment in the unorganised sector, most vividly reflected in significant slowdown in exports of labor-intensive goods such as leather goods, textiles, jute manufactures, readymade garments, and sports goods (Chart III.3). In Q4, however, there has been a sequential loss of pace, pointing to underlying weaknesses in the domestic supply response to rising external demand, especially in labour-intensive categories such as readymade garments, and gems and jewellery.

(Source: April 2018)



Monetary Policy Report -

<https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/MPR0504201881C23881962B49BD98827921418306A5.PDF>

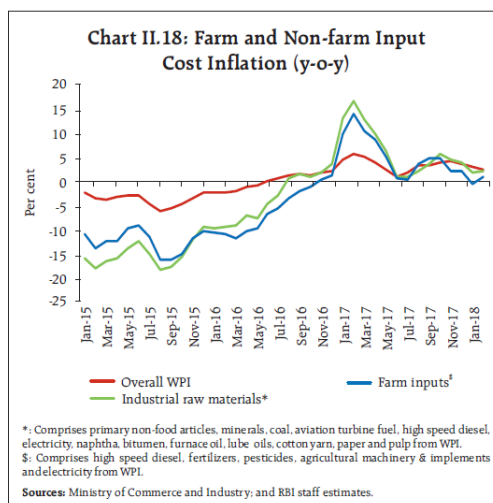
### **GROWTH OF INDIAN ECONOMY**

As per the second advance estimates (2nd AE) of national income released by Central Statistics Office, the growth of GDP at constant (2011-12) market prices for the year 2017-18 is estimated to be 6.6 per cent, which is lower as compared to the growth of 7.1 per cent in 2016-17. The growth of gross value added (GVA) at constant (2011-12) basic prices is estimated to be 6.4 per cent in 2017-18 (2nd AE). The growth in GVA was 7.1 per cent in 2016-17. At the sectoral level, GVA in agriculture and allied sector, industry sector and services sector have been estimated to grow by 3.0 per cent, 4.8 per cent, and 8.3 per cent respectively in 2017-18. The estimated growth of GDP at



constant prices for first, second and third quarters of 2017-18 was 5.7 per cent, 6.5 per cent and 7.2 per cent respectively.

The Government has fixed the inflation target of 4 per cent with tolerance level of +/- 2 per cent for the period beginning from August 5, 2016 to March 31, 2021.



### Ease of doing Business for Small Traders:

GST has significantly raised turnover thresholds of Rs 20 lakh for an entity to be taxable in GST. Further, the threshold for composition has been increased in general to Rs. 1 crore ( Rs 75 lakh for special category states except Jammu & Kashmir and Uttarakhand). Small and medium businesses with annual aggregate turnover up to Rs. 1.5 crores would be required to file quarterly return (monthly for other taxpayers).

(Sources: [https://dea.gov.in/sites/default/files/Final%20Annual%20Report%20English\\_0.pdf](https://dea.gov.in/sites/default/files/Final%20Annual%20Report%20English_0.pdf))

### PRODUCTION OF TEXTILE IN INDIAN MARKET

The performance of the industrial sectors based on the Index of Industrial Production (IIP) comprising mining, manufacturing and electricity shows a fair growth in industrial production during April-December 2017-18. According to the monthly data on the IIP released by the Central Statistics Office (CSO) under the Ministry of Statistics and Programme Implementation (MOSPI), the Index of Industrial Production (IIP) based industrial growth during April-December 2017-18, was 3.7 per cent as compared to 5.1 per cent growth achieved during the corresponding period of the previous year. During December - 2017, the IIP registered 7.1 per cent growth. Out of the three broad sectors, electricity sector has growth of 5.1 per cent during April-December 2017-18 against 6.3 per cent growth achieved during this period of the previous year. Mining and manufacturing sectors grew at 2.8 per cent and 3.8 per cent respectively against the corresponding figures of 4.3 percent and 5.0 per cent of the previous year. The growth of different used based industrial group is given below.

(Sources: [https://dea.gov.in/sites/default/files/Final%20Annual%20Report%20English\\_0.pdf](https://dea.gov.in/sites/default/files/Final%20Annual%20Report%20English_0.pdf))

The Indian textile industry is one of the largest in the world with a large raw material base and manufacturing strength across the value chain. The uniqueness of the industry lies in its strength both in the hand-woven sector as well as in the capital intensive mill sector. The mill sector, with 3400 textile mills having installed capacity of more than 50 million spindles and 842000 roators is the second largest in the world. Traditional sector like handloom, handicrafts and small scale power-loom units are the biggest source of employment for millions of people in rural and semi urban area. The Indian textile Industry has inherent linkage with agriculture and traditions of the country making for its versatile spread of products appropriate for both domestic and the export markets. The textile industry contributes to 7% of industry output in value terms, 2% of India's GDP and to 15% of the country's export earnings. With over 45 million people employed directly, the textile industry is one of the largest sources of employment generation in the country. In keeping with goal of making India's development inclusive and participative, the Government's central focus has been of increasing textile manufacturing infrastructure, upgradation of technology

fostering innovation, enhancing skills and traditional strengths in the textile sector. Some of the major initiatives and highlights of 2017-18 are listed below:

### Special Package for Apparel & Made-up Sector:

A special package of Rs 6000 crores for Textiles and apparel sector was announced in June 2016. The package was extended to the made-ups sector in December 2016.

### Production of man-made fibre, filament yarn, spun yarn and cloth

(Figures in million)

Period	Man-Made Fibre	Man-made filament yarn	Cotton Yarn	Blended & 100% Non-cotton yarn	Total Spun Yarn	Cloth		
						Mill Sector *	Decentralized Sector **	Grand Total (Exc. Khadi. Wool & Silk)
						Kg	Kg	Kg
2015-16	1347	1164	4138	1527	5665	2315	62269	64584
2016-17	1364	1159	4055	1604	5659	2264	61216	63480
2017-18 (Prov.)	1319	1187	4064	1616	5680	2157	64688	66845
2018-19 (P) (Apr-Jul)	477	374	1396	548	1944	702	22236	22938
2017-18 (P) (Apr-Jul)	455	401	1364	530	1894	744	21133	21877
% Variation (Apr-Jul)	4.8	-6.7	2.3	3.3	2.3	-5.6	5.2	4.8

P- Provisional

\*- Based on statistical data received from units

\*\* - Based on conversion ratio of yarn to fabric

- Man-made fibre production increased by 5% and filament yarn production decreased by 7% during April-July 2018-19 as compared to same period of the previous year.
- Cotton yarn production increased by 2% during April-July 2018-19 . Blended and 100% noncotton yarn production increased by 3% during the year Apr-July 2018-19 .
- Cloth production by mill sector decreased by about 6% during April-July 2018-19 . The cloth production by decentralized sector increased by 5% during April-July 2018-19 as compared to same period of the previous year .The total cloth production during April-July 2018-19 increased by 5% compared to same period of the previous year.

Sr. No.	Product/Period	Units	2013-14	2014-15	2015-16	2016-17	2016-17 (Apr-Jan)	2017-18 (Apr-Jan)	% Variation
1.	Man-made Fiber	Kg	1307	1344	1347	1364	1149	1123	-2.3
2.	Man-Made Filament Yarn	Kg	1293	1248	1164	1159	963	996	3.4
3.	Cotton Yarn	Kg	3928	4055	4138	4056	3372	3399	0.8
4.	Blended & 100% Non-Cotton Yarn	Kg	1381	1433	1527	1606	1344	1370	1.9
5.	Total (Spun Yarn) (3+4)	Kg	5309	5488	5665	5662	4716	4769	1.1
6.	Cloth (Milli Sector)	Sq. mtr	2531	2486	2315	2264	1899	1806	-4.9
7.	Cloth (Decentralized)	Sq. mtr	60093	61846	62269	61630	50846	53974	6.2

	Sector)								
8.	Total ( Exc. Khadi, Wool, Silk)(6+7)	Sq. mtr	62624	64332	64584	63894	52745	55780	5.8

(Source: <http://texmin.nic.in/sites/default/files/Table%281%29-Production%20of%20Man-made%20Fibre%2C%20Filament%20Yarn%2C%20Spun%20Yarn%20and%20Cloth.pdf>)

#### Indian Export of Textile Items:

Export of Textile Items (in Million US\$)					
ITEMS	2013-14	2014-15	2015-16	2016-17	2017-18
Fibre incl. waste	4521.44	2711.84	2768.31	2520.74	2792.73
Yarn	6725.73	5984.31	5403.98	5260.58	5487.86
Fabrics	4676.39	4949.65	4572.89	4316.51	4349.51
RMG	15003.87	16847.20	16984.08	17469.43	16664.84
Made Ups	4469.39	4645.26	4584.91	4720.35	49996.72
Other Textiles	2174.21	2521.27	2434.20	2342.46	2328.46
<b>Total</b>	<b>37571.03</b>	<b>37659.52</b>	<b>36748.38</b>	<b>36630.07</b>	<b>36620.15</b>
<b>% Change over the Previous year</b>	<b>13.68</b>	<b>0.24</b>	<b>-2.42</b>	<b>-0.32</b>	<b>-0.03</b>

The exports of textile items (in US \$ terms) decreased 3% by during April-July 2018-19 as compared to that in previous year.

#### Indian Import of Textile Items:

Import of Textile Items (in Million US\$)					
ITEMS	2013-14	2014-15	2015-16	2016-17	2017-18
Fibre incl. waste	1264.15	1498.54	1362.61	1917.72	1944.24
Yarn	1042.18	1112.42	992.85	883.76	1069.76
Fabrics	1175.47	1270.24	1281.25	1157.43	1471.81
RMG	431.00	524.37	581.93	595.47	770.78
Made Ups	375.85	496.36	549.01	430.79	459.55
Other Textiles	1009.17	1112.88	1084.49	1058.20	1298.27
<b>Total</b>	<b>5297.83</b>	<b>6014.80</b>	<b>5852.14</b>	<b>6043.39</b>	<b>7014.41</b>
<b>% Change over the Previous year</b>	<b>-1.09</b>	<b>13.53</b>	<b>-2.70</b>	<b>3.27</b>	<b>16.07</b>

The import of textile items (in US \$ terms) increased 5% by during April-July 2018-19 to corresponding period of the previous year

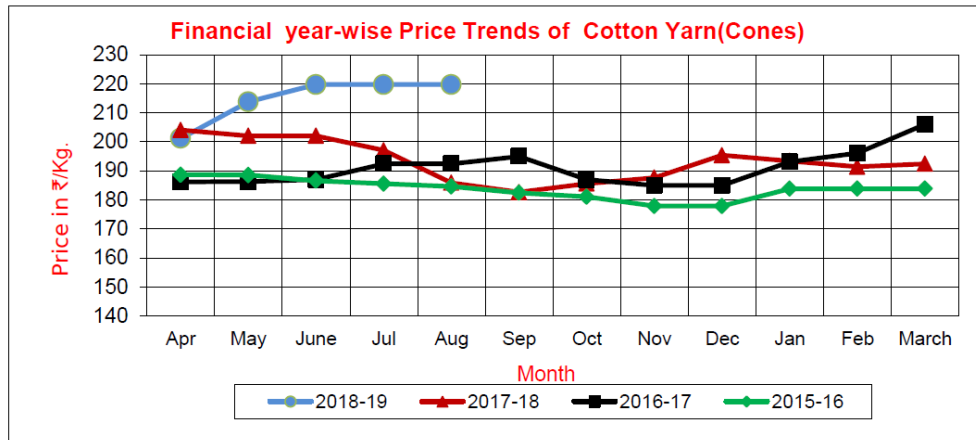
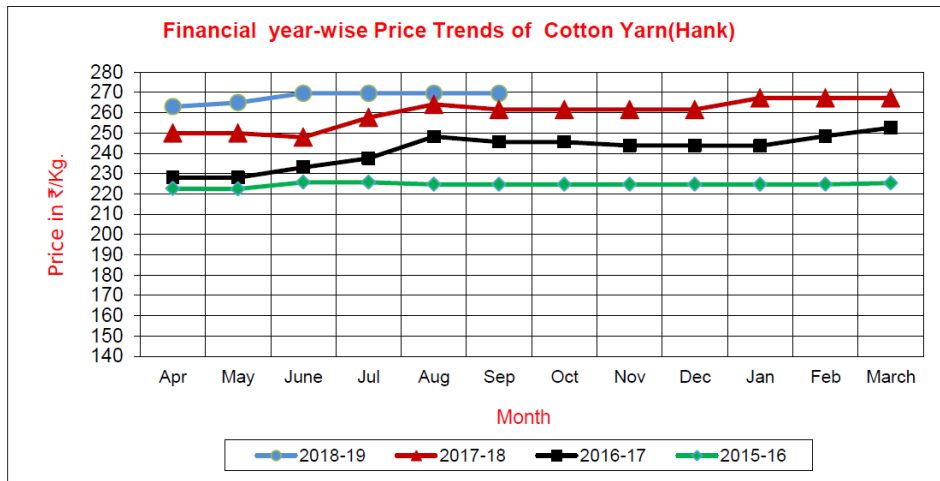
(Source: <http://www.txcindia.gov.in/html/monthlyreport.htm>)

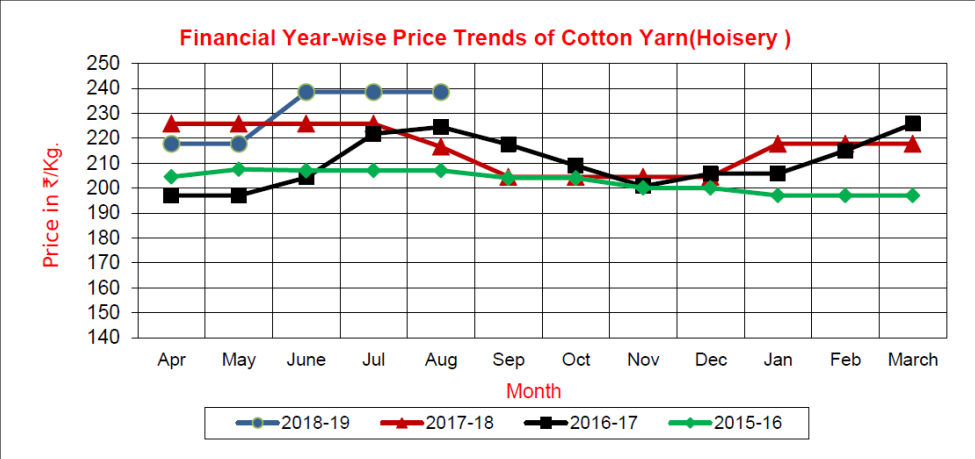
#### New Initiatives for artisans:

- "Pehchan Initiative was launched on 7th October 2016 for better targeting of artisans to enable their easy and smooth access to the benefit they are entitled to. About 20.23 lakh artisans have been verified and 13.32 lakh pehchan cards have been distributed so far.
- All the State Govts/Union Territories have also been involved in verification and authentication of Pehchan ID cards
- Pushtaini Hunar Vikas Yojna: Launched in 2017 at Indian institute of Carpet Technology Bhadhoi to impart technical and soft skill training to weavers from the traditional carpet weaving families.
- Artisan Helpline No 1800 208 4800 was launched on 5th May 2017 in seven languages- Hindi, English, Kannada, assamese, Bengali, Tamil and Telugu.
- MOU with Financial Corporations: MoU has been signed with National Backward Classes Finance Development Corporation (NBCFDC) and National Schedule Castes Finance Development Corporation (NSFDC) to implement scheme of Government of India for OBC and SC artisans weavers in 20 identified clusters with necessary forward linkages for income sustainability and enhancement.

- Memorandum of Understanding has been signed between Offices of the Development Commissioner (Handicrafts) with Punjab National Bank on 1st September 2017 for providing Interest subvention to Handicrafts artisans availing Mudra Loan. The Bank has provided a portal to operate the current account for managing its interest subvention payment, payable by O/o DC (Handicrafts) for all the participating banks
- Following 9 scheme of Office of the Development Commissioner (Handicrafts) on DBT portal on 12.06.2017.  
(Source: Annual Report 2017-18 of Ministry of Textiles, Government of India)

Price Trends of different type of Yarns:





Data Source: O/o Textile Commissioner

Data Compiled By: NIC-Textiles

## **BUSINESS OVERVIEW**

**The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in the Draft Prospectus, including the information contained in the section titled “Risk Factors” on page no. 12 of the Draft Prospectus. In this chapter, unless the context requires otherwise, any reference to the terms “We”, “Us” and “Our” refers to Our Company. Unless stated otherwise, the financial data in this section is as per our financial statements prepared in accordance with Indian Accounting Policies set forth in the Draft Prospectus.**

### **Overview**

#### **Company Background**

The founder promoter of the Company Mr. Gokul Bakshi, who worked with Bank of Baroda for almost three decades including 4 years overseas at British Guyana, decided to start his own business in 1987. He started "M/s Anand Enterprise", a Partnership Firm, with his Friends and Family Members to trade the Yarn in Surat by taking dealership of the polyester yarn from Reliance Industries Limited.

In 1992, Mr. Anand Bakshi, Managing Director of the Company, joined the Partnership Firm as a Partner. With his Ideas and Energy, Anand Enterprise achieved many mile stones in sales as well as profitability of the Firm. The partnership firm was reconstituted in the year 1999 and all the partners except Mr. Gokul Bakshi and Anand bakshi had retired from the partnership firm. Initially the partnership firm was doing trading activity in and around surat only. After Mr Anand bakshi had taken active interest, the firm has spread its wings and started trading in other cities and other parts of the Country. The firm also started sales to other cities like Ahmedabad, Vapi, Daman, Varanasi, Ichalkaranji, Bangalore, Erode & Coimbatore Later on, Anand Enterprise has taken Dealership of Nylon Yarn from JCT Limited, Polyester Yarn from Indorama Synthetics India Limited, Garden Silk Mills Limited & Filatex India Limited to expand the business.

The Firm has started trading in value added yarns like dope dyed yarns, fancy yarns for various applications like weaving of sarees, shirting & dress materials, yarn dyeing, carpets, various types of Elastic tapes & sizing segments. The promoters with their experience get the better quality of doped dyed yarn after successfully implementing with the master batch with the local person and guide the spinners to get the required yarn. The focus of the firm was on development of market share on fancy and value added yarns. The Firm holds a decent market share amongst the embroidery yarn, dyed yarn. The core yarn in value added form is supplied to Jari Manufacturers. The company at present is trading in and around Surat only.

The partnership firm was reconstituted on March 09, 2018 to comply the requirements of Part 1 of Chapter XXI of the Companies Act, 2013 and with an intention to convert the partnership firm in to Limited Company. The Partnership firm was converted into Public Limited Company on September 20, 2018 under part I company (Chapter XXI) of the Companies Act, 2013. The Corporate Identification Number of our Company is U51909GJ2018PLC104200.

The founder promoter of the Company Mr. Gokul Bakshi, expired on January 18,2019. The promoter of our Company Mr. Anand Bakshi has more than two and half decade experience in the trading of Yarn. Their relations with suppliers, customers and management acumen have been useful in implementing the growth strategy.

#### **Our Competitive Strength**

##### **Experienced Promoters with sound market knowledge**

Our promoter Mr. Anand Bakshi has more than two and half decades of experience in the trading of yarn. His relations with suppliers and customers. Marketing Strategy and management acumen have been useful in implementing the growth strategy. We get the benefit from the experience of the promoter and core management team.

##### **Specialized in developing and marketing of fancy and value added yarns**

The Company apart from trading in polyester yarn has also developed the dope dyed yarn for getting better value realization. The new shades are developed after doing research and development work and provide Master batch developed to the spinners for getting desired dope dyed yarn. The fancy yarns are also developed by the Company for use by Jari Manufacturers and embroidery yarn manufacturers.

##### **Research and Development**

The Company has R&D team and they, with their knowledge, develop various fancy yarns and also guide the customers' on the products. Our promoter is providing special facilities to clients by fulfilling their requirements of new doped dyed yarn with colours which are not available in the market. The Promoter arranges the Master batch (Colour Chips) for unique colours to the spinners and get the desired dope dyed yarn from the spinners. Development of fancy yarns for sarees, dress materials & shaggy carpets are a constant feature throughout the year.

**Cordial Relations with the Suppliers**

The growth of business of our Company depends upon the timely supply to the customers according to their requirement. The uninterrupted supply of the material is the necessity to satisfy the customers,. Our Company has got the agency from various yarn manufacturing companies since long and have cordial relations with the suppliers of materials. The Good track record of payment enables the Company to enjoy the Agencies from various companies since long. The initial agency with Reliance Industries Limited in the year 1987 is still continued with the Company.

**Our Business Strategy.**

**Geographical expansion**

The Company at present is trading in and around Surat only. Previously the firm was doing trading of yarn apart from Gujarat in other parts of the Country. The Company is planning to expand its business activities in other states like Uttar Pradesh ( Banaras), Karnataka ( Bangaluru, Belgaum) Maharashtra ( Ichalkaranji) and Delhi.

**Development of new fancy yarns.**

The R&D team is constantly carrying out trials for the development of different types of fancy yarns and obtain the feedback of the customers for the developed new fancy yarn. The Company is in the process of developing Bi-Shrinkage yarn, Sheath- Core yarn, twisted yarn for GEO textiles.

**SWOT Analysis:**

<p><b>Strength</b></p> <ul style="list-style-type: none"> <li>• More than two decades experience of the Promoter in the line of activity</li> <li>• Authorised yarn dealers of Reliance Industries Ltd. for over 31 years</li> <li>• Sound customer base</li> <li>• Specialised in sales of dope dyed yarn</li> <li>• Excellent relations with spinners &amp; customers.</li> </ul>	<p><b>Weakness</b></p> <ul style="list-style-type: none"> <li>• Limited geographical area of Operations</li> <li>• Family Owned unit.</li> <li>• Lack of professionalism.</li> </ul>
<p><b>Opportunity</b></p> <ul style="list-style-type: none"> <li>• Develop new variety of yarns</li> <li>• Geographical Expansion</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Tough competition</li> <li>• low margin business</li> </ul>

**Our Products:**

**Polyester Filament Yarns –**



PFY are hugely demanded yarns in the global market made from PET Polyester. The PET Polyester is also called Polyethylene Terephthalate. These yarns are immensely used in the modern fibre manufacturing industries. PFY is strong and compelling. These are used in both the multifilament and monofilament forms. PFY has a selection of qualities, High tenacity PFY are used for making light fabrics like organdie and voile while the regular tenacity PFY is used to make lingerie while the low tenacity or duller version of PFY are used to make blouse and shirts.

Polyester (polyethylene terephthalate) pellets or chips are synthesized from petroleum-based products. Polyester is thermoplastic, meaning it can be melted and reformed. These pellets are melted and the melted polymer is forced through small holes (spinnerettes). On the exit side of the spinnerettes, the continuous filaments (fibers) solidify. The size and shape of the hole dictates the shape and diameter of the fibers. The fibers are solid polymer; there are no void spaces inside the fibers. These continuous filaments—called “tow”—can be cut to any length (no length distribution, all fibers have the same length) to produce staple fibers for use in textiles and nonwovens, or they can be left as a continuous monofilament, which resembles fishing line. Being a fiber derived from oil, polyester is water-repellent, and therefore not absorbent. The moisture regain is only 0.4% at standard temperature and humidity conditions. For this reason polyester fabrics do not absorb sweat and can give one a moist, warm, clammy feel. Polyester fibers typically have a low level of wicking, and strength can vary greatly because it can be controlled by how much drawing (stretching) occurs during production. It can go from 2.5 grams/denier to 9.5 grams/denier. These strengths are considered moderate to very high. Higher fiber strengths will produce stronger fabrics. Since it is produced from petroleum, polyester is not considered sustainable and it is not biodegradable. POY yarn is available in different lustre like Semi-Dull POY and Bright POY. The Bright POY has the shine in it due to the cross-sections in the filaments. The fabric made from Bright POY also has the bright lustre. Polyester POY yarn is mainly available in Raw White colour & is also available in various different colours.

### **Nylon Yarn**



It was invented simultaneously in New York and London, both at the same time, that's why it has been named Nylon.

Nylon Partially Oriented Yarn, commonly known as Nylon POY is the primary form of Nylon yarn. It is also known as Nylon Pre-Oriented Yarn. Similarly, when wound at higher speed, the same activity will produce FDY, which is called as Fully Drawn Yarn. The Nylon yarn is the first form of yarn made directly by spinning Nylon Chips. Nylon POY is mainly used for manufacturing textured yarn. Nylon Yarns can be available in Three lustures: Semi Dull , Bright & full dull. Nylon Yarn is mainly available in packed cone as per customer requirement.

### **Characteristics of Nylon Yarn**

**Strength:** Nylon has good tenacity and the strength is not lost with age. Nylon has a high strength to weight ratio. It is one of the lightest textile fibres is at the same time also one of the strongest. It is one of the fibres which are added at the points of wear such as knees and seats of jeans and toes and heels of socks. The strength of the nylon fabric is lost when wet. Nylon has excellent abrasion resistance, which makes its use ideal for sportswear.

**Elasticity:** Nylon has good elasticity which makes it much suitable for the apparel purposes. The excellent elasticity would mean that the nylon materials return to their original length and sheds the wrinkles or creases. Nylon like other fibres has its own limit of elasticity. If stretched too much, it will not completely recover its shape. The high



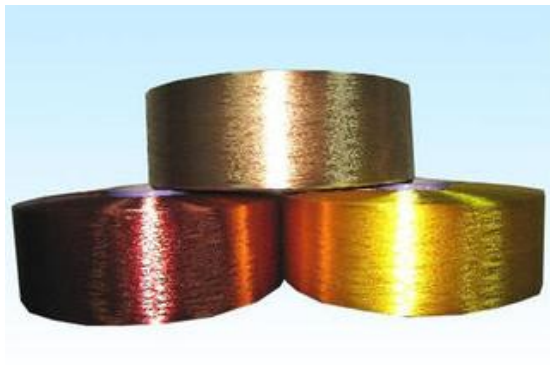
elongation and excellent elastic recovery of nylon contributes to the outstanding performance in hosiery. Nylon hosiery recovers to its original shape at knees and ankles instead of bagging.

**Resilience:** Nylon fabrics have excellent resilience. Nylon fabrics retain their smooth appearance and the wrinkles from the usual daily activities can be removed easily.

**Drapability:** Fabrics of nylon filament yarn have excellent draping qualities. The drape of the fabrics made from nylon can be varied depending on the yarn size. The light weight sheer fabrics of nylon night gowns have high-draping quality. The medium-weight dress fabrics can drape very nicely.

**Heat Conductivity:** The heat conductivity of the nylon fabrics vary depending upon the fabric construction, the type of nylon (staple/filament) used in the construction etc. For instance, the filament nylon used in the open construction would be cooler when compared to the same filament used in a closed construction. In a closed or tight construction the air circulation through the fabric is limited. The heat and moisture of the body will not readily pass the fabric construction, which makes the wearer feel very warm. Such fabrics are good for winter apparel, such as wind-breakers, but are not suitable for summer garments. On the other hand the fabrics with open construction permits the air circulation which makes the wearer feel cool. This characteristic encourages use of nylon in Peel Ply fabric, which is used as a cover & then further lamination in case of aeroplanes and wind mills.

### Dope Dyed Yarn



The fibers and filaments are fully impregnated with pigment since adding master batch colorant at the beginning. Dope dyed yarn is an energy saving & environmental friendly product. Due to dope dyed yarns are created by adding masterbatch colorant to the polymer melt in spinning, it substituted the most polluting process of dyeing.

### Fancy Yarns.





Fancy yarns that are designed mainly for their aesthetic appearance rather than performance. Many fancy yarns achieve deliberate variation in appearance by the way of color. To be more inclusive, a fancy yarn may be defined as any yarn that contains deliberate variation either in the form or in color, or both. The word deliberate is very important here because all yarns made from staple fibers are inherently variable due to the imperfection of the yarn spinning systems and the non uniformity of fiber material. In the production of normal regular yarns, efforts are made to minimize these variations so that the eventual fabric uniformity and performance properties such as strength and abrasion resistance are maximized. In fancy yarns, however, the variations are introduced by design to enhance the aesthetic appearance. These yarns provide the fabric designer greater scope in achieving a more attractive and exclusive product, but also pose greater challenges as they usually suffer from poorer performance and higher costs. The fancy yarn gives a fancy touch to the fabrics to a broad range of end usages. Significant demand for the fancy yarns is for the ladies and children outerwear.

### **Marketing Strategy**

We have strategic and innovative marketing team, which work under the direction of our Managing Director. Our Company's marketing strategy is a hybrid marketing module comprising of direct customers approach and agent/broker network.

We have establishment in the market more than 30 years and over the years developed excellent relationship with our clients and many industry players in Surat which would enable the company to tap the market. We have also well-built network of agents and brokers in the domestic market. which are helpful to sell our Yarns through them.

Our Company has always focused on meeting the requirement of our clients and providing them maximum support in terms of timely delivery. Our success lies in the strength of our relationship with our customers and suppliers who have been associated with our Company for a long period.

We plan our sales strategically well in advance. We are continuously involved in the market survey and closely monitor the all the industry and other economic factors which influence the our sales. We maintain impending relationship with our customers which enable us to forecast the demand of the material. Our strategic team is continually involved in the market research about the development new products which would enable the company to tap the market early.

Our Sales team, R&D team and MIS team meet in last week of every month to forecast the customer wise requirement for next month and on the basis of their logical, justifiable and concrete feedback we place our order with our suppliers and which made robust system for constant sales around the year.

### **Location**

#### **Registered office**

305-306, Jay Sagar Complex Opp. Sub Jail, Khatodra Surat Gujarat-395002

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

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

#### **Collaborations, any performance guarantee or assistance in marketing by the collaborators**

Our Company had not entered in to any collaboration or any performance guarantee or assistance in marketing with any company.

**Infrastructure facilities for raw materials and utilities like water and Electricity.**

**Raw Materials**

Our Company is in trading business, the material required for trading are procured from various Companies with whom our company has dealership.

**Water**

Since our Company is trading company no water is required for any process. The water requirement for drinking and sanitation purpose is very minimum.

**Electricity**

Since we are trading company our power requirement is minimum and is met through state electricity board.

**Human Resources.**

As on January 31, 2019 our Company has 35 employees. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Out of the total strength of the company 18 employees are with the Company since more than one decade and the staff turnover ratio is very minimum.

Sr. No.	Particulars	Employees
1.	Administration	14
2.	Finance & Accounts	8
3.	Research and Development	3
4.	Sales & Marketing	5
5.	MIS	5
	<b>Total</b>	<b>35</b>

**Capacity and Capacity Utilisation**

Our Company is in trading sector hence capacity and capacity utilisation is not applicable.

**Intellectual Property Rights**

The Company does not have any Intellectual Property Rights.

**Details of Immovable Property:**

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

**Owned Property:**

Particulars	Details
Name of the Parties (Owner)	*Anand Enterprise
Name of Seller(s)	The Udhna Magadalla Road Shop Holders, Co. Op. Society Ltd.
Description of Property	306, Jay Sagar Complex Opp. Sub Jail Khatodra Surat Gujarat-395002.
Date of agreement	02 August, 2000
Consideration Paid	Rs. 2,00,255
Usage	Registered Office
Area (Approx)	760 Square Feet

Particulars	Details
Name of the Parties (Owner)	*Anand Enterprise
Name of Seller(s)	The Udhna Magadalla Road Shop Holders, Co. Op. Society Ltd.

Description of Property	103, Jay Sagar Complex Opp.Sub Jail Khatodra Surat Gujarat-395002.
Date of agreement	May 30, 2000
Consideration Paid	Rs. 2,50,000
Usage	Godown
Area (Approx)	84.54 Square Meter

\*The property is in the name of M/s Anand Enterprise, the procedure for change of name is yet to be completed.

#### Rented Property

Particulars	Details
Name of the Landlord	Mr. Anand Bakshi and Mr. Gokul Bakshi
Name of Tenant	M/s. Anand Rayons Limited
Description of Property	305, Jay Sagar Complex Opp. Sub Jail, Khatodra Surat Gujarat-395002.
Usage	Registered Office
Date of Rent agreement	05th December, 2018
Tenure of Lease	1 Year from the date agreement
Rent	Rs. 10/- per month
Security Deposit (In Rs.)	2000/-
Area (Approx)	600 Square Feet

#### Indebtedness

Name of the Lender	Sanction Amount	Purpose	Amount o/s as on September 20,2018 (Rs in Lakhs)	Margin	Interest Rate Per Annum	Repayment Schedule	Security (Combined Security)
<b>State Bank of India</b>							
	Rs. 300 lakhs	Cash Credit Limit	291.38		Interest at the rate of 0.55% margin above the Base Rate which is presently 9.70% p.a. Present effective rate 10.25% p.a calculated on daily products at monthly rests.	Repayable on demand	<u>Primary Security</u> Fund Based Hypothecation of entire current assets including all type of Stocks and receivables on pari pasu basis with the existing bank/FI. <u>Collateral Security</u> Personal Guarantee of 1. Shri Gokul Y Bakshi 2. Shri Anand Gokul Bakshi
<b>HDFC Bank Limited</b>							
	<b>Rs. 1800 Lakhs</b> Consisting of: 1700 lakhs Cash credit 100 Lakhs Direct Recourse Under LC	Working Capital	1610.49	25% on Stocks & 40% on Book Debts.	9.50% (MCLR+1.35%)	Repayable on demand	<u>Security Primary</u> 1. Hypothecation by way of first and exclusive charge on all present and future stocks and book debts. <u>Security Collateral</u> 1. Office no.: 103, Jay Sagar Complex, The Udhna - Magdalla

	(DRUL).						<p>Road, Shop Holder Co -op Housing Soc. Ltd. Nr. Sub - Jail, Ring Road Surat.</p> <p>2. Office no. :305, Jay Sagar Complex, The Udhna - Magdalla Road, Shop Holder Soc. Ltd Nr. Sub - jail Ring Road Surat.</p> <p>3. Office no. : 306, Jay Sagar Complex, The Udhna - Magdalla Road, Shop Holder Co-op Housing Soc. Ltd. Nr. Sub-Jail Ring Road Surat.</p> <p>4. Harikrishna baug, Nr. Gokulam Dairy, CS No.: 1423/A, Rs np.: 36/p, FP no.: 5 (Athwalines, Surat.).</p> <p>5. Plot No.: 50A &amp; 50B, Swami Gunatit Nagar Co-op Hou Society Ltd.,Nr.Laxmi Bungalows, Opp Garden Ghar, Old Rs. No.: 28, 29/1 &amp; 34, New Rs no.: 20/2, 22/1 &amp; 21, FP no. :1 (Vesu), Udhna - Magdalla Road, Vesu Surat.</p> <p>6. Shop no 101 to 104, 1st floor, Nischay Co operating Housing Society, Mahadev Nagar, Gauhar Baug Billimora Navsari.</p> <p>7. 201 - B, Madhuli Complex, Besides ITC Ring Road, Surat - under Negative Lien.</p>
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## Insurance

Sr No	Name of The Insurance Company	Name of Insured	Type of Policy	Validity Period	Description Cover Under The Policy	Policy No	Sum Insured	Premium Paid
1	The New India Assurance Co. Ltd.	Anand Enterprise	Fire Floter Policy	From: 06/06/2018 To: 05/06/2019	Godown-103, Jay Sagar Complex B/h Sub Jail Khatodara Surat-395001 Yarn Trading, All Type of yarn Stocks, Raw Materials, Finished Goods Pertaining to Insured Business, Packing Materials, Goods Healed in Trust.	2301011118030000015	Rs. 20000000	Rs. 27140/-
2	The New India Assurance Co. Ltd.	Anand Enterprise	Standard Fire & Special Perils Policy	From: 15/06/2018 To: 16/06/2019	305/306, 3 Jay Sagar Complex, B/h Sub Jail, Khatodra Surat Gujarat-395002 On Godown Building - Subject to RIV Clause (excluding Stock) On Building Superstructure, On Stocks and Stock in Process.	23050011180100000795	Rs. 3500000	Rs.4956/-

Our Company has applied for change of name on Insurance Policy from " Anand Enterprise" to Anand Rayons Limited.

## KEY INDUSTRY REGULATIONS AND POLICIES

The statements produced below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions and may not be exhaustive, and are only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional legal advice. The information detailed in this Chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain.

We are subject to a number of Central and State legislations which regulate substantive and procedural aspects of the business. Additionally, the business activities of our Company require sanctions, approval, license, registration etc. from the concerned authorities, under the relevant Central and State legislations and local bye-laws. For details of Government and Other Approvals obtained by the Company in compliance with these regulations, see section titled “Government and Other Approvals” beginning on page no. 115 of this Draft Prospectus. The following description is a summary of the few relevant regulations and policies as prescribed by the Government of India, and the respective bye laws framed by the local bodies, and others incorporated under the laws of India.

### INDUSTRYSPECIFIC REGULATIONS

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

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

#### **Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (“the EPFMP Act”)**

The EPFMP Act is applicable to the establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPFMP Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPFMP Act the employers are required to contribute to the employees’ provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund.

#### **Employees’ State Insurance Act, 1948 (“the ESI Act”)**

All the establishments to which the ESI Act applies are required to be registered under the ESI Act with the Employees State Insurance Corporation. This Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under.

Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

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

The Payment of Gratuity Act, 1972 provides for payment of gratuity to employees employed in factories, shops and other establishments who have put in a continuous service of 5 (five) years, in the event of their superannuation, retirement, resignation, death or disablement due to accidents or diseases. The rule of ‘five year continuous service’ is however relaxed in case of death or disablement of an employee. Gratuity is calculated at the rate of 15 (fifteen) days’ wages for every completed year of service with the employer. Presently, an employer is obliged for a maximum gratuity payout of Rs. 20,00,000/- (Rupees Twenty Lakhs Only) for an employee.

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

Maternity Benefit Act, 1961, as amended, (“**Maternity Benefit Act**”) is aimed at regulating the employment of women in certain establishments for certain periods before and after child birth and for providing for maternity benefit and certain other benefits. It applies to every establishment being a factory, mine or plantation including any such establishment belonging to government and to every establishment wherein persons are employed for the exhibition of equestrian, acrobatic and other performances. It also applies to every shop or establishment wherein ten or more persons are employed or were employed on any day of the preceding twelve months. According to the Maternity Benefit Act, every woman is entitled to, and her employer is liable for, the payment of maternity benefit

at the rate of the average daily wage for the period of her actual absence, including the period immediately preceding the day of her delivery, the actual day of her delivery and any period immediately following that day.

### **Equal Remuneration Act, 1976**

Equal Remuneration Act, 1976 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith.

### **The Child Labour (Prohibition & Regulation) Act, 1986**

The Child Labour (Prohibition & Regulation) Act, 1986, as amended, (“**Child Labour Act**”) was enacted to prohibit the engagement of children below the age of fourteen years in certain specified occupations and processes and to regulate their conditions of work in certain other employments. The list of such occupations and processes is progressively being expanded on the recommendation of Child Labour Technical Advisory Committee constituted under the Act. No child shall be required or permitted to work in any establishment in excess of such number of hours, as may be prescribed for such establishment or class of establishments. Every child employed in an establishment shall be allowed in each week, a holiday of one whole day, which day shall be specified by the occupier in a notice permanently exhibited in a conspicuous place in the establishment and the day so specified shall not be altered by the occupier more than once in three months.

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

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 provides for the protection of women at work place and prevention of sexual harassment at work place. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes 1 (one) or more of the following acts or behavior namely, physical contact and advances or a demand or request for sexual favors or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to Rs. 50,000/- (Rupees Fifty Thousand Only).

### **Laws relating to Specific State where establishment is situated**

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

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

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

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



earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

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

### **Professional Tax**

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

### **General Laws**

#### **Competition Act, 2002 (“Competition Act”)**

The Competition Act, 2002 aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations. The Competition Commission of India (“**Competition Commission**”) which became operational from May 20, 2009 has been established under the Competition Act to deal with inquiries relating to anti-competitive agreements and abuse of dominant position and regulate combinations. The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India.

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

The Companies Act, 1956 deals with laws relating to companies and certain other associations. It was enacted by the parliament in 1956. The Act primarily regulates the formation, financing, functioning and winding up of companies. The Companies Act, 1956 prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of companies. It deals with issue, allotment and transfer of securities and various aspects relating to company management. It provides for standard of disclosure in public issues of capital, particularly in the fields of company management and projects, information about other listed companies under the same management, and management perception of risk factors. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act, 1956 plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

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

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

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

The Indian Stamp Act, 1899 prescribes the rates for the stamping of documents and instruments by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded. Under the Indian Stamp Act, 1899, an instrument not 'duly stamped' cannot be accepted as evidence by civil court, an arbitrator or any other authority authorized to receive evidence. However, the document can be accepted as evidence in criminal court.

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

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

### **The Trade Marks Act, 1999**

Indian trademark law permits the registration of trademarks for goods and services. The Trade Marks Act, 1999 (“**Trademark Act**”) governs the statutory protection of trademarks and for the prevention of the use of fraudulent marks in India. An application for trademark registration may be made by individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future. Once granted, trademark registration is valid for ten years, unless cancelled. If not renewed after ten years, the mark lapses and the registration has to be restored. The Trademark (Amendment) Act, 2010 has been enacted by the government to amend the Trademark Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries. It also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to align the law with international practice.

### **The Patents Act, 1970**

The Patents Act, 1970 (“**Patents Act**”) governs the patent regime in India. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognise product patents as well as process patents. In addition to broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. The Patents Act prohibits any person resident in India from applying for patent for an invention outside India without making an application for the invention in India. The term of a patent granted under the Patents Act is for a period of twenty years from the date of filing of the application for the patent.

### **The Copyright Act, 1957**

The Copyright Act, 1957 (“**Copyright Act**”) governs copyright protection in India. Under the Copyright Act, a copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration constitutes *prima facie* evidence of the particulars entered therein and may expedite infringement proceedings. Once registered, copyright protection of a work lasts for a period of sixty years from the demise of the author. Reproduction of a copyrighted work for sale or hire, issuing of copies to the public, performance or exhibition in public, making a translation of the work, making an adaptation of the work and making a cinematograph film of the work without consent of the owner of the copyright are all acts which amounts to an infringement of copyright.

## **TAX RELATED LEGISLATIONS**

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

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of Income” involved. The IT Act provides for taxation of person resident in India on global income and person not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every Company assessable to income tax under IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Fringe Benefit Tax, Advance Tax, Minimum Alternative Tax and like. Every such Company is also required to file its Return by September 30 of each assessment year

### **Goods & Service Tax (“GST”)**

*Gujarat Goods and Services Tax Act, 2017*

*Central Goods and Services Tax Act, 2017*

*The Integrated Goods and Services Tax Act, 2017*

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

### ***Other Indian laws***

In addition to the above, our Company are also governed by the provisions of the Companies Act and rules framed there under, relevant central and state tax laws, foreign exchange and investment laws and foreign trade laws and other applicable laws and regulation imposed by the central and state government and other authorities for over day to day business, operations and administration.

## HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was originally formed and registered as a partnership firm under the Partnership Act, 1932 (“Partnership Act”) in the name and style of “M/s Anand Enterprise”, pursuant to a deed of partnership dated July 01,1987. Subsequently, the partnership firm was reconstituted on April 3,1992, October 8, 1999 and March 09, 2018. Thereafter; the partnership firm was converted in to a public limited company on September 20, 2018 under Part I chapter XXI of the Companies Act, 2013 in the name and style of “M/s. Anand Rayons Limited” and received a certificate of incorporation dated October 02, 2018 from the Deputy Registrar of Companies, Central Registration Center, Ministry of Corporate Affairs. The Corporate Identification Number of our Company is CIN: U51909GJ2018PLC104200.

The promoter of our Company Mr. Anand Bakshi has more than two and half decade experience in the trading of Yarn. Their relations with suppliers, customers and management acumen have been useful in implementing the growth strategy.

### Business Overview

In 1992, Mr. Anand Bakshi, Managing Director of the Company, joined the Partnership Firm as a Partner. With his Ideas and Energy, Anand Enterprise achieved many mile stones in sales as well as profitability of the Firm. The partnership firm was reconstituted in the year 1999 and all the partners except Mr. Gokul Bakshi and Anand bakshi had retired from the partnership firm. Initially the partnership firm was doing trading activity in and around surat only. After Mr Anand abkshi had taken active interest, the firm has spread its wings and started trading in other cities and other parts of the Country. The firm also started sales to other cities like Ahmedabad, Vapi, Daman, Varanasi, Ichalkaranji, Bangalore, Erode & Coimbatore Later on, Anand Enterprise has taken Dealership of Nylon Yarn from JCT Limited, Polyester Yarn from Indorama Synthetics India Limited, Garden Silk Mills Limited & Philatex India Limited to expand the business.

The Firm has started trading in value added yarns like doped dyed yarns, fancy yarns for various applications like weaving of sarees, shirting & dress materials, yarn dyeing, carpets, various types of Elastic tap & sizing segments. The promoter with their experience get the better quality of doped dyed yarn after successfully implementing with the master batch with the local person and guide the spinners to get the required yarn. The focus of the firm was on development of market share on fancy and value added yarns. The Firm holds a decent market share amongst the embroidery yarn, dyed yarn. The core yarn in value added form is supplied to Jari Manufacturers. The company at present is trading in and around Surat only.

### Changes in Registered Office

At present, the registered office of the company is situated at 305-306, Jay Sagar Complex Opp. Sub Jail, Khatodra Surat-395002 Gujarat.

There is no change in our registered office since Incorporation.

### Amendments to the Memorandum of Association

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

Sr No.	Date of Passing Resolution	Particulars
1	December 13, 2018	The authorised Share capital of 11,00,00,000 divided into 1,10,00,000 equity shares of ₹ 10 each was increased to 15,00,00,000 divided into 1,15,00,000equity share of ₹ 10each

### Major Events

The major events of the company since its incorporation in the particular financial year are as under:

Financial Year	Events
<b>2018</b>	Incorporation of our company "ANAND RAYONS LIMITED" by converting partnership firm "Anand Enterprise in existence since 1987 under Part I chapter XXI of the Companies Act, 2013

### Subsidiaries and Holding of the Company:

Our Company does not have any subsidiary company and company is not having any holding company, as on date of filing of the Draft Prospectus.

#### **Injunction and restraining order**

Our company is not under any injunction or restraining order, as on date of filing of the Draft Prospectus.

#### **Managerial Competence**

For managerial Competence please refer to the section "Our Management" on Page no. 77 of the Draft prospectus.

#### **Acquisitions / Amalgamations / Mergers/ Revaluation of assets**

No acquisitions / amalgamations / mergers or revaluation of assets have been done by the company.

#### **Total number of Shareholders of Our Company**

As on the date of filing of this Draft Prospectus, the total numbers of equity share holders are 7. For more details on the shareholding of the members, please see the section titled "Capital Structure" at page no 31 of the Draft Prospectus.

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

1. To carry on business as traders, exporters, importers, dealers of cotton, woolen, silk, nylon, polyester or any other manmade fibre, yarn or filament or any kind of yarn, flat yarn, tarpoulin, texturised yarn, POY, FDY, Value added yarns like crepe, air textured, draw twisted, dyed, dope dyed & Jari yarns and of any other fibrous substance fabrics, grey fabrics, or any kind and to carry on the business of suppliers of all classes, kinds, types and description of natural and manmade yarns.
2. To acquire, build, construct, improve, develop, give or take in exchange or on lease, rent, hire, occupy, allow, control, maintain, operate, run, sell, dispose of, carry out or alter as may be necessary or convenient any leasehold or freehold lands, movable or immovable properties, including building, workshops, warehouse, stores, easement or other rights, machineries, plant, work, stock in trade, industrial colonies, conveniences together with all modern amenities and facilities such as housing, schools, hospitals, water supply, sanitation, townships and other facilities or properties which may seem calculated directly or indirectly to advance the company's objects and interest either in consideration of a gross sum of a rent charged in cash or services.
3. To apply for, purchase, acquire, and protect, prolong and renew in any part of the world any patents, patent rights, brevets invention, licences, protections and concessions which may appear likely to be advantageous or useful to the company and to use and turn to account and or grant licences or privileges in respect of the same and to spend money in experimenting upon and testing and improving or seeking to improve any patents, inventions or rights which the company may acquire or proposes to acquire.
4. To establish, provide, maintain and conduct or subsidies research laboratories and experimental workshops for scientific and technical researches, experiments and tests of all kinds and devices and/or to sponsor or draw out programmes for promoting scientific, technical, social, economic and educational research and development and assist in the execution and promotion of such programmes either directly or through an independent agency or in any other manner, directly or indirectly and to secure such approvals, exemptions and/or recognitions under the Income Tax Act, 1961 and any other law for the time being in force and to promote studies and researches both scientific and technical investigations, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing or contributing to the award of scholarships, prizes, grants to students and generally to encourage, promote inventions of any kind that may be considered useful to the company.

#### **Change in the Activities of Our Company**

There have been no changes in the activities of our Company during the preceding five years from the date of this Draft Prospectus which may have had a material effect on our profit or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

#### **Shareholders' Agreements**

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

#### **Other Agreements**

As on the date of this Draft Prospectus our Company has not entered into any agreements other than those entered into in the ordinary course of business and there are no material agreements entered into more than two years before the date of this Draft Prospectus.

**Strategic Partners**

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

**Financial Partners**

Our Company has not entered into any financial partnerships with any entity as on the date of filing of this Draft Prospectus.

## OUR MANAGEMENT

Under our Articles of Association, our Company is required to have not less than three (3) directors and not more than fifteen (15) directors. Our Company currently has 5 directors on Board of which 2 (Two) are Executive and Non Independent directors, 1 (One) is Non Executive Non Independent Director and 2 (Two) are Non Executive and Independent Directors they are:

1. Mr. Anand Bakshi - Managing Director
2. Mrs. Shilpa Bakshi - Whole Time Director
3. Mrs. Hema Mishra - Non Executive Director
4. Mr. Nivesh Khanna - Independent Director
5. Mr. Jayantbhai Mankad - Independent Director

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

Name, Father's Name, Address, Age, Designation, Status, DIN, Occupation and Nationality	Qualification & No. of Years of Experience	Date of Appointment and Term	Other Directorships
<b>Name</b> : Mr. Anand Bakshi <b>Father's Name:</b> Mr. Gokul Bakshi <b>Address</b> : Gokul Bunglow, Adarsh Society, Near Electric Sub Station, Athwalines, Surat 395001 <b>D.O.B &amp; Age</b> : September 26, 1974 (44 Years) <b>Designation</b> : Managing Director <b>Status</b> :Executive & Non Independent Director <b>DIN</b> : 01942639 <b>Occupation</b> : Business <b>Nationality</b> : Indian	B.Com  <b>Experience:</b> More than 25 years of experience in the Textile Industry mainly in trading of Yarn.	September 20, 2018  <b>Terms:</b> Appointed as Managing Director w.e.f September 20, 2018 for a period of 3 years	Anand Cotex Limited
<b>Name</b> : Mrs. Shilpa Bakshi <b>Father's Name:</b> Mr. Amrish Gandhi <b>Address</b> : Gokul Bunglow, Adarsh Society, Near Electric Sub Station, Athwalines Surat 395001 <b>D.O.B &amp;Age:</b> October 26, 1974 (44 Years) <b>Designation</b> : Whole Time Director <b>Status</b> :Executive & Non Independent Director <b>DIN</b> : 07986896 <b>Occupation</b> : Business <b>Nationality</b> :Indian	B.Com  <b>Experience:</b> More 15 years of experience in the Management & Graphic Designing.	September 20, 2018  <b>Terms:</b> Appointed as Whole Time Director w.e.f September 20, 2018 for a period of 3 years	Anand Cotex Limited
<b>Name</b> : Mrs. Hema Mishra <b>Father's Name:</b> Mr. Gokul Bakshi <b>Address</b> : 201, kakadia Park, Ghod Dod Road, Parlepoint, Surat, 395007 <b>D.O.B &amp;Age:</b> June 14, 1972 (46 Years) <b>Designation</b> : Director <b>Status</b> :Non Executive & Non Independent Director <b>DIN</b> : 08273565 <b>Occupation</b> : Business <b>Nationality</b> : India	M.B.A.  <b>Experience:</b> More than 25 years of experience in the field of Finance & Accountancy.	November 05, 2018  <b>Terms:</b> Liable to retire by rotation -	-
<b>Name</b> : Mr. Nivesh Khanna <b>Father's Name:</b> Mr. Kismetrai Khanna <b>Address</b> : 101, Prasthan Appartment, Somnath Road, Umra Jakat Naka, Surat, Gujarat - 395007, India. <b>D.O.B &amp;Age:</b> June 14, 1973 (45 Years) <b>Designation</b> : Director	M.com., M.S.(Education Management) M.B.A (Marketing) M.F.M. (Master of Financial Management)	October 13, 2018  <b>Term:</b> w.e.f October 13, 2018 to up to October 12, 2023, 5 Years.	1. Condor Footwear (India ) Limited 2. Condor Footwear Limited 3. Bluflex International India Private Limited

<b>Status</b> : Independent Director <b>DIN</b> : 00217822 <b>Occupation</b> : Professional <b>Nationality</b> : Indian	M.Phil. (Education) M.Phil. (Management) Doctor of Ph.D.(MANAGEMENT)  <b>Experience:</b> More than 22 years of Experience in Education Management & Counseling.		
<b>Name</b> : Mr. Jayant Mankad <b>Father's Name:</b> Mr. Mojibhai Mankad <b>Address</b> : 302, Shantikunj Apartment, Pandav Bunglow ni Gali, Athwa Lines, Parl Point, Surat, Gujarat- 395 007, India. <b>D.O.B &amp;Age</b> : November 06, 1951 (67 years) <b>Designation</b> : Director <b>Status</b> : Independent Director <b>DIN</b> : 08024559 <b>Occupation</b> : Professional <b>Nationality</b> : Indian	B.Com  <b>Experience:</b> more than 28 years of experience in the field of Marketing & Research.	October 13, 2018  <b>Term:</b> w.e.f October 13, 2018 to up to October 12, 2023, 5 Years.	-

As on the date of the Draft Prospectus:

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

#### **Relationship between the Directors**

Mr. Anand Bakshi is a husband of Mrs. Shilpa Bakshi and brother of Mrs. Hema Mishra except this None of the Directors of our company are relatives of each other, in terms of the Companies Act, 2013.

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

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

#### **Service Contracts**



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

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

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

Subject to the provisions of Section 180(1)(c) of the Companies Act, 2013 and our Articles authorizes our Board, to raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. The shareholders of the Company, through by passing a resolution in General Meeting held on October 13, 2018 authorised our Board to borrow monies together with monies already borrowed by us, in excess of the aggregate of the paid up capital of the Company and its free reserves, not exceeding Rs. 50.00 crores at any time.

### **Brief Profiles of Our Directors**

1. Mr. Anand Bakshi
2. Mrs. Shilpa Bakshi
3. Mrs. Hema Mishra
4. Mr. Nivesh Khanna
5. Mr. Jayant Mankad

#### **Anand Bakshi**

Mr. Anand Bakshi, aged about 44 years, is Managing Director of the Company. He is Promoter and Director of the Company. He has completed his Bachelor of Commerce from South Gujarat University. He has more than 20 Years of experience in field of sales, marketing and management of Textile firm involved in trading of Yarns & Fabrics.

He has joined the Prime Cooperative Bank Limited in Year 2010 as a director. He was active member of loan department & administrative committee of Prime Cooperative Bank Limited till May, 2015. He was elected as a Chairman by Board of Directors of Prime Cooperative Bank Limited in May, 2015. He was awarded as a Best Youth Chairman of Co-Operative Bank by the banking magazine, "Banking Frontline" in Year 2016 and for that co-operative banks across the county have participated.

In addition he is also involved in Real Estate Projects which includes construction of Commercial Complex and Residential Buildings.

#### **Shilpa Bakshi**

Mrs. Shilpa Bakshi, aged about 44 years, is Whole Time Director of the Company. She has completed Graduation in Commerce from South Gujarat University. She joined the Prime Co Operative Bank in May, 2004 as an Assistant Branch Manager at City Light Branch. She is having experience in the field of graphic designing and languages. She takes the lead in critical business discussions, negotiations, and presentations. She was looking after the working of merchants exports of polyester yarn from 2007 to 2011. Currently she is looking after the administrative, Human Resource and Marketing area including day to day affairs of our Company.

#### **Hema Mishra**

Mrs. Hema Mishra, aged 46 years, is a Non Executive Non Independent Director of the Company. She has cleared her M.B.A. in 1993 from South Gujarat University. She has secured highest marks in aggregate of M.B.A. I, II, III and IV Semesters Examination in June, 1993. For this achievement she was awarded "Swargastha Hiralal Mancharam Bachkaniwala Gold Medal" She is having vast experience of 25 years in the field of finance & accountancy. She looks after finance and account department of the Company. She is proficient in business development and regularly explores the niche market for expansion and widening the business area.

#### **Nivesh Khanna**

Mr. Nivesh Khanna, aged 45 years, is an Independent Director of our Company. He possesses the M.Com, M.B.A. in Marketing, M.S. in Education Management, M.Phil (Education) & (Management), Ph.D in Management. He has done projects and research on various subjects like "Human Relations Factors in weaving industry of Surat" – Phd, "Housing Sector At Surat" – Mphil, "Communication, The Foundation of Human Relations", "Human Relations, Importance & Technique", from which some the researches are published in various journals. He has also written

Articles on -“Distance Education” and “Suratio Takavari Se Upar Aao” for The Herald, Daily Newspaper. He is also Independent Director since more than 4 years with Condor Footwear (India) Limited. He is also Director with 2 other companies.

### **Jayant Mankad**

Mr. Jayant Mankad, aged 67 years, is an Independent Director of our Company. He has completed Bachelor of Commerce from Saurashtra University. He was Vice President of Reliance Industries Limited and head of marketing in Polyester Yarn section for the period 1984-2012 at Surat. He is having expertise in Market movements & study thereon. He provides his immense knowledge to our Research & Development and Marketing Department.

### **Compensation and Benefits paid to the Managing Director and Whole Time Directors are as follows:**

Mr. Anand Bakshi has been appointed as the Managing Director of the company with effect from September 20, 2018 for a period of three years.

#### **The remuneration payable is as follows:**

<b>Name</b>	Mr. Anand Bakshi
<b>Date of Agreement</b>	October 14, 2018
<b>Period</b>	3 years w.e.f September 20, 2018
<b>Salary</b>	Rs. 2,00,000/- per month
<b>Remuneration paid in 2016-17</b>	N.A

Mrs. Shilpa Bakshi has been appointed as the Whole Time Director of the company with effect from September 20, 2018 for a period of three years.

#### **The remuneration payable is as follows:**

<b>Name</b>	Mrs. Shilpa Bakshi
<b>Date of Agreement</b>	October 14, 2018
<b>Period</b>	3 years w.e.f September 20, 2018
<b>Salary</b>	Rs. 1,50,000/- per month
<b>Remuneration paid in 2016-17</b>	N.A

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

We have not paid any sitting fees to our Non- Executive Directors during the last financial year.

### **Shareholding of Directors:**

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

<b>Sr. No.</b>	<b>Name of Directors</b>	<b>No. Equity Shares held</b>	<b>Category/ Status</b>
1.	Mr. Anand Bakshi	35,05,920	Managing Director
2.	Mrs. Shilpa Bakshi	10,04,860	Whole Time Director
3.	Mrs. Hema Mishra	1,75,542	Non Executive Non Independent Director
4.	Mr. Nivesh Khanna	-	Independent Director
5.	Mr. Jayantbhai Mankad	-	Independent Director

### **Interest of Directors**

All the non executive directors of the company may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or Committee thereof as well as to the extent of other remuneration and/or reimbursement of expenses payable to them as per the applicable laws.

The directors may be regarded as interested in the shares and dividend payable thereon, if any, held by or that may be subscribed by and allotted/transferred to them or the companies, firms and trust, in which they are interested as directors, members, partners and or trustees. All directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by the issuer company with any company in which they hold directorships or any partnership or proprietorship firm in which they are partners or proprietors as declared in their respective declarations.

Executive Directors are interested to the extent of remuneration paid to them for services rendered to the company.

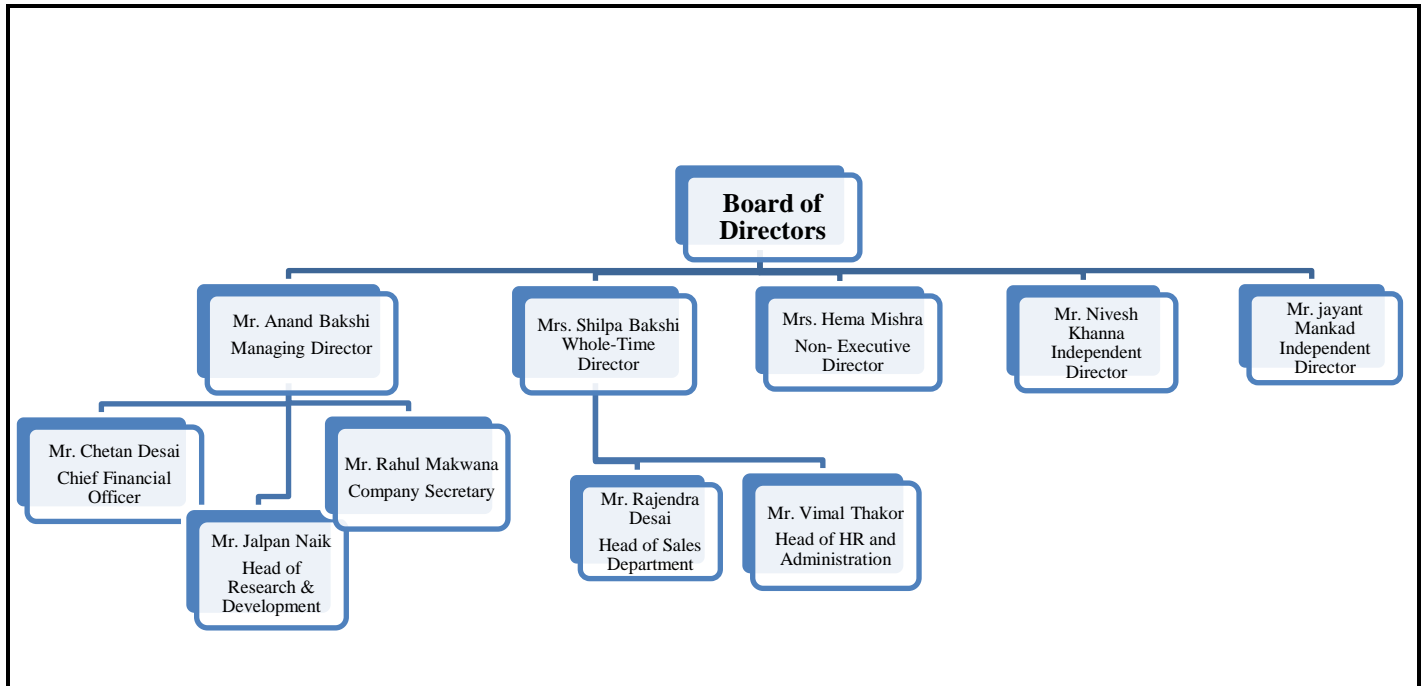
Except as stated under Related Party Transaction on page no. 102 of this Draft Prospectus, our company has not entered into any contracts, agreements or arrangements during the preceding two years from the date of the Draft Prospectus in which our directors are interested directly or indirectly.

### Changes in the Board of Directors since Incorporation

Name of Directors	Date of Appointment	Date of change in Designation	Date of Cessation	Reason for the changes in the board
Mr. Anand Bakshi	September 20, 2018	September 20, 2018	-	Changes in designation from Director to Managing Director
Mrs. Shilpa Bakshi	September 20, 2018	September 20, 2018	-	Changes in designation from Director to Whole Time Director
Mr. Nivesh Khanna	October 13, 2018	-	-	Appointed as an Independent Director
Mr. Jayant Mankad	October 13, 2018	-	-	Appointed as an Independent Director
Mr. Gokul Bakshi	September 20, 2018	-	November 21, 2018	Resigned as a Director
Mrs. Hema Mishra	November 05, 2018	-	-	Appointed as an Additional Non Executive Non Independent Director
Mrs. Hema Mishra	November 05, 2018	December 13, 2018	-	Regularized as a Non Executive Non Independent Director

### Management Organization Structure

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



### Corporate Governance

In additions to the applicable provisions of the Companies Act, 2013, with respect to the Corporate Governance, provisions of the SEBI Listing Regulations except Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses

(b) to (i) Of sub regulation (2) of regulation 46 and Para C, D, and E of Schedule will be applicable to our company immediately upon the listing of Equity Shares on the Stock Exchanges.

### Composition of Board of Directors

Currently the Board has Five Directors. In compliance with the requirements of section 149(4) of the Companies Act, 2013, our Company has Two Executive Directors, One Non Executive Non Independent and Two Independent Directors on the Board.

Composition of Board of Directors is set forth in the below mentioned table:

Sr. No	Board of Directors	Designation	DIN
1.	Mr. Anand Bakshi	Managing Director	01942639
2.	Mrs. Shilpa Bakshi	Whole Time Director	07986896
3.	Mrs. Hema Mishra	Non Executive Non Independent Director	08273565
4.	Mr. Nivesh Khanna	Independent Director	00217822
5.	Mr. Jayantbhai Mankad	Independent Director	08024559

### Constitutions of Committees

Our company has constituted the following Committees of the Board:

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

#### 1. Audit Committee:

Our Company in pursuant to section 177 of the Companies Act, 2013 constituted Audit Committee in the Board Meeting held on October 30, 2018 consisting of following directors as committee members.

The members of the Audit Committee are as follows:

Name of the Directors	Designation	Nature of Directorship
Mr. Nivesh Khanna	Chairman	Non Executive - Independent Director
Mr. Jayant Mankad	Member	Non Executive - Independent Director
Mr. Anand Bakshi	Member	Managing Director

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

### Terms of Reference

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

#### Role of Audit Committee

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

- i) The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- ii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- iii) Examination of financial statement and the auditor's report thereon;
- iv) Approval or any subsequent modification of transactions of the company with the related parties;
- v) Scrutiny of inter-corporate loans and investments;
- vi) Valuation of undertakings or assets of the company, wherever it is necessary;
- vii) Evaluation of internal financial controls and risk management systems;
- viii) Monitoring end use of funds raised through public offers and related matters;
- ix) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- x) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

- a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
- b. Changes, if any, in accounting policies and practices and reasons for the same.
- c. Major accounting entries involving estimates based on the exercise of judgment by management.
- d. Significant adjustments made in the financial statements arising out of audit findings.
- e. Compliance with listing and other legal requirements relating to financial statements
- f. Disclosure of any related party transactions
- g. Qualifications in the draft audit report;
- xi) Reviewing, with the management, the half yearly financial statements before submission to the board for approval;
- xii) Reviewing, with the management, the performance of Internal Auditors and Statutory Auditors and adequacy of internal control systems;
- xiii) Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, if any and frequency of internal audit;
- xiv) Discussion with the Internal auditor any significant findings and follow up thereon;
- xv) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvi) review the functioning of whistle blower mechanism, if the same is existing.
- xvii) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

## 2. Stakeholders Relationship Committee

Our Company in pursuant to section 178 of the Companies Act, 2013 constituted Stakeholders Relationship Committee in the Board Meeting held on October 30, 2018.

The members of the Stakeholders Relationship Committee are as follows:

Name of the Directors	Designation	Nature of Directorship
Mr. Nivesh Khanna	Chairman	Non Executive and Independent
Mr. Jayant Mankad	Member	Non Executive and Independent
Mr. Anand Bakshi	Member	Managing Director

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

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

### Terms of Reference

- Resolve Complaints relating to transfer of shares; including review of cases for refusal of transfer / transmission of shares;
- Redressal of shareholder and investor complaints like transfer of Shares, non-receipt of balance sheet, non-receipt of declared dividends etc.,
- Ensure proper and timely attendance and redressal of investor queries and grievances;

### 3. Nomination and Remuneration Committee

Our Company in pursuant to section 178 of the Companies Act, 2013 constituted Nomination and Remuneration Committee in the Board Meeting held on October 30, 2018.

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

Name of the Directors	Designation	Nature of Directorship
Mr. Nivesh Khanna	Chairman	Non Executive and Independent
Mr. Jayant Mankad	Member	Non Executive and Independent
Mrs. Hema Mishra	Member	Non Executive and Non Independent

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

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

**The terms of reference:**

- 1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- 2) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- 3) To Carry out the evaluation of performance of every directors.

**Our Key Management Personnel**

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

Name, Designation and Date of Joining	Qualification	Previous Employment	Overall Experience	Remuneration paid In previous year (2017-18) (₹ in Lakhs)
Mr. Rahul Makwana Company Secretary & Compliance Officer D.O.J- January 08, 2019	B.Com, CS	National Multi Commodity Exchange of India Limited	6.5 Years	-
Mr. Chetan Desai* Cheif Financial Officer D.O.J- October 01, 2018	B.Com	Anand Enterprise	10 Years	4.86
Mr. Jalpan Naik* Head of Research & Development D.O.J: December 01, 2018	Masters in Public Administration	Anand Enterprise	19 Years	4.11
Mr. Rajendra Desai Head of Sales Department D.O.J: December 01, 2018	Bachelor of Commerce	Anand Enterprise	18 Years	4.22
Mr. Vimal Thakor Head of HR and Administration D.O.J: December 01, 2018	B.A.	Anand Enterprise	15 Years	3.32

**Previous Employment-** Mr. Rahul Makwana has an experience of Six and half years (6.5) years in National Maulti Commidity Exchange of India Ltd as a " Associate Manager - Audit & Compliance" Department from April 23, 2012 to November 15 2018.

\* The remuneration paid to Mr Chetan Desai and Mr. Jalpan Naik in Fy 2017-18 was as employee of partnership Firm.

**Notes:**

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

**Relationship of Key Managerial Personnel**

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

**Shareholding of the Key Management Personnel**

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

**Bonus or Profit sharing plan for the Key Management Personnel**

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

**Changes in the Key Management Personnel**

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

Name	Designation	Date of Appointment	Date of Cessation	Reason of changes
Ms. Twinkle Nandwani	Company Secretary & Compliance Officer	October 01, 2018	January 08, 2019	Resignation
Mr. Chetan Desai	Chief Financial Officer	October 01, 2018	-	Appointment
Mr. Rahul Makwana	Company Secretary & Compliance Officer	January 08, 2019	-	Appointment
Mr. Jalpan Naik	Head of Research & Development	December 12,2018		Appointment
Mr. Rajendra Desai	Head of Sales Department	December 12,2018		Appointment
Mr. Vimal Thakor	Head of HR and Administration	December 12, 2018		Appointment

**Employee Stock Option Scheme**

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

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


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

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

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

## OUR PROMOTER AND PROMOTER GROUP

**The Promoter of Our Company : Mr. Anand Bakshi**

<p><b>Mr. Anand Bakshi</b></p> 	<p><b>Mr. Anand Bakshi, aged 44 years is the Promoter, Managing Director of our Company.</b> <b>Date of Birth</b> – September 26, 1974 <b>Personal Address</b> - Gokul Bunglow, Adarsh Society, Near Electric Sub Station, Athwalines Surat - 395001. <b>Permanent Account Number</b> : ACEPB9926A <b>Aadhaar Card No.;</b> 2453 8630 8108 <b>Driving License:</b> GJ06 20030006628 For further details of his educational qualifications, experience, positions / posts held in the past, directorships held and special achievements, please refer chapter titled “<i>Our Management</i>” beginning on page no. 77 of this Draft Prospectus.</p>
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### Confirmations

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

### Other Confirmations

As on the date of this Draft Prospectus, our Promoters and members of our Promoter Group have not been prohibited by SEBI or any other regulatory or governmental authority from accessing capital markets for any reasons. Further, our Promoters were not and are not promoters and directors in any other company that is or has been debarred from accessing the capital markets under any order or direction made by SEBI or any other authority.

Our Promoter has neither been declared as a wilful defaulters nor as a fugitive economic offender as defined under the SEBI ICDR Regulations, 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 our Promoters.

For details pertaining to other ventures of our Promoter refer chapter titled “Financial Information of our Group Companies” beginning on page no. 117 of the Draft Prospectus.

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

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

### Interest of Promoter

Our Promoter is interested in our Company only to the extent of his respective Equity shareholding in our Company and any dividend distribution that may be made by our Company in the future. For details pertaining to our Promoters’ shareholding, please refer to section titled ‘*Capital Structure*’ beginning on page no. 31 of this Draft Prospectus.

Except mentioned in the Chapter titled "Business Overview" under "Details of immovable Property" on page no. 60 of Draft Prospectus our promoter does not have any interest in the property acquired or to be acquired by the Company in a period of three years before filing the draft Prospectus. Our promoter does not have any interest in the any transaction by company in acquisition of land, Construction of Building and supply of machinery,

Further, our Promoter is also partners and Karta of HUF entities and may be deemed to be interested to the extent of the payments made by our Company, if any, to these Promoter Group entities and vice versa. no sum has been paid or agreed to be paid to him or to such firm or company in cash or shares or otherwise by any person either to induce him to become, or to qualify him as a Director or for services rendered by our Promoter or by such firm or company in connection with the promotion or formation of our Company. For the payments that are made by our Company to certain Promoter Group entities, please see the section “Related Party Transactions” on page no.102 of the Draft Prospectus

### Payment of benefits to our Promoter



Except as stated in the section “Related Party Transactions” on page no.102 there has been no payment of benefits to our Promoters during the two years preceding the filing of this Draft Prospectus.

### Our Promoter Group

Promoter and Promoter Group in terms of Regulation 2(1)(00) and 2(1)(pp) of the SEBI ICDR Regulations. In addition to our Promoters named above, the following individuals and entities form a part of the Promoter Group:

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

Promoter: Mr. Anand Bakshi .

Relationship with promoter	Name of Relative
Promoter	Anand Bakshi
Father	Gokul Bakshi
Mother	Vasu Bakshi
Spouse	Shilpa Bakshi
Brother	-
Sister	Hema Mishra & Jigisha Chorawala
Son	Malaya Bakshi
Daughter	Anokhee Bakshi
Spouse's Father	Amrish Gandhi
Spouse's Mother	Nila Gandhi
Spouse's Brother	None
Spouse's Sister	Nira and Nipa

#### Companies, Proprietary concerns, HUF's related to our promoters

Nature of Relationship	Entity
Any Body Corporate in which ten percent or more of the equity share capital is held by promoter or an immediate relative of the promoter or a firm or HUF in which promoter or any one or more of his immediate relative is a member.	a) Anand Cotex Limited
Any Body corporate in which a body corporate as provided above holds ten percent or more of the equity share capital	-
Any Hindu Undivided Family or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than ten percent	a) Sparsh b) Kabirsyn c) Gokul HUF d) Dhru Trading e) RR Filaments f) Jay Syntex

For further details on our Promoter Group refer Chapter Titled “Financial Information of our Group Companies” beginning on page no.117 of Draft Prospectus.

## **DIVIDEND POLICY**

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Our Company does not have any formal dividend policy for declaration of dividend in respect of the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and may depend on a number of factors, including the results of operations, earnings, Company's future expansion plans, capital requirements and surplus, general financial condition, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not declared any dividend on the Equity Shares since incorporation. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

## SECTION VI - FINANCIAL INFORMATION

### AUDITORS' REPORT ON STANDALONE RESTATED FINANCIAL INFORMATION

To

The Board of Directors

Anand Rayons Limited(erstwhile Firm)

305-306, Jay Sagar Complex,

Opp. Sub Jail, Khatodra,

Surat, Gujarat-395002

Dear Sirs,

**Subject: Financial Information of Anand Rayons Limited (erstwhile Firm)**

We have examined, the attached Restated standalone Statement of Assets and Liabilities of Anand Rayons Limited ('the Company') as at September 20, 2018, March 31, 2018, March 31,2017and March 31,2016, the Restated Standalone Summary Statement of Profit and Loss and the Restated Standalone Summary Statement of Cash Flows for the years ended At September 20, 2018 , March 31, 2018 March 31,2017 and March 31,2016 and annexed to this report (collectively, the "Restated Financial Information") as approved by the Board of Directors of the Company for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer (IPO) of equity shares prepared in terms of the requirements of:

- a. Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules");
  - b. the Securities And Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("SEBI-ICDR Regulations"); and
  - c. the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India as amended from time to time (the "Guidance Note").
1. In terms of Schedule VI, Clause 11 of the SEBI (ICDR) Regulations, 2018 and other provisions relating to accounts of the, we, M/s. Rajendra Sharma & Associates , Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of the ICAI.
  2. The Restated Standalone summary statements of the Company (Erstwhile Firm) have been extracted by the Management from the Audited Standalone financial statements of the firm for the years ended At September 20, 2018 , March 31, 2018 March 31,2017and March 31,2016 audited by us ( except Annual Accounts for the year March 31,2017 and March 31,2016 audited by M.R. Bombaywala & co).Our responsibility is to examine the Restated Standalone Financial Information and confirm whether such Restated Standalone Financial Information comply with the requirements of the Act, the Rules, SEBI-ICDR Regulations and the Guidance Note.
  3. We have examined these Restated Standalone Financial Information taking into consideration
    - a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated February 14, 2018 in connection with the proposed IPO of the Company;
    - b. The Guidance Note on reports in Company prospectus (Revised) issued by the Institute of Chartered Accountants of India
  4. Based on our examination, we report that:
    - a. The Restated Standalone Summary Statement of Assets and Liabilities of the Company( Erstwhile Firm) examined and reported as at September 20, 2018 , March 31, 2018 March 31,2017and March 31,2016 examined by us, as set out in Annexure-I read with significant accounting policies and related notes to account in Annexure IV and V are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in schedules to the related summary statements.

The Restated Standalone Summary Statement of Profit and Loss of the Company (Erstwhile Firm) for the years ended At September 20, 2018 , March 31, 2018 March 31,2017and March 31,2016 examined by us, as set out in Annexure-II read with significant accounting policies and related notes to account in Annexure IV and V are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in schedules to the related summary statements.

- b. The Restated Standalone Summary Statement of Cash Flows of the Company (Erstwhile Firm) for the years ended 3rd At September 20, 2018 , March 31, 2018 March 31,2017and March 31,2016 examined by us, as set out in Annexure-III read with significant accounting policies and related notes to account in Annexure IV and V are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in schedules to the related summary statements.
- c. Based on the above, according to the information and explanations given to us we are of opinion that the Restated Standalone Financial Information:
  - i. have been made after incorporating adjustments for changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
  - ii. have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
  - iii. do not contain any extra-ordinary items that need to be disclosed separately.
  - iv. There were no qualifications in the Audit report issued by the Statutory Auditor of the Company (Erstwhile Firm) for the years ended At September 20, 2018 , March 31, 2018 March 31,2017and March 31,2016 which would require adjustments in this restated Financial statements of the Company.
5. We have also examined the following financial information as set out in the Annexure prepared by the management and approved by the Board of Directors relating to for the years ended August 3,2018, March 31, 2018 March 31,2017and March 31,2016
  - i. Standalone Statement of significant accounting policies as appearing in **Annexure IV**
  - ii. Standalone Statement of notes to accounts as appearing in **Annexure V**
  - iii. Restated Standalone Statement of Other Income as appearing in **Annexure VI**
  - iv. Restated Standalone Statement of Accounting & Other Ratios as appearing in **Annexure VII**
  - v. Restated Standalone Statement of Capitalization of the company as appearing in **Annexure VIII**
  - vi. Restated Standalone Statement of Contingent Liabilities & Capital Commitments as appearing in **Annexure IX**
  - vii. Restated Standalone Statement of Related Part transaction as appearing **Annexure X**
  - viii. Restated Standalone Statement of Fixed Assets as appearing **Annexure XI**

According to the information and explanations given to us in our opinion the Restated Standalone Financial Information and the above restated Standalone financial information contained in Annexures I to XI accompanying this report read along with the Significant Accounting Policies and Notes as set out in Annexure IV and V are prepared after making adjustments and regroupings as considered appropriate and have been prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013 read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, SEBI-ICDR Regulations and the Guidance Note.

6. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
7. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Our report is intended solely for use of the Management for inclusion in the offer document to be filed with BSE Limited and Registrar of Companies, Ahmedabad in connection with the proposed IPO of equity shares of the

Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing

**For, Rajendra Sharma & Associates**  
**Chartered Accountants**

**Rajendra R Sharma**  
**Partner**  
**Mem No:044393**  
**FRN No:108390W**  
**Place : Surat**  
**Date:** February 14, 2019

## ANNEXURE I : RESTATED BALANCE SHEET

(₹ in Lacs)

Sr. No	Particulars	20th September, 2018	31st March, 2018	31st March, 2017	31st March, 2016
(1)	Equity & Liabilities				
	(a) Share Capital/partners Capital	1,029.67	726.53	665.72	535.61
	(b) Reserves & surplus	216.93	145.15	-	-
	<b>Sub Total.....(1)</b>	<b>1246.60</b>	<b>871.68</b>	<b>665.72</b>	<b>535.61</b>
(2)	Share Application Money.....(2)				
(3)	Non Current Liabilities				
	(a) Long term Borrowings	973.45	1,314.09	1,278.38	1,144.67
	(b) Long term Liabilities	-	-	-	-
	(c) Deferred Tax Liabilities ( Net)	-	-	-	-
	(d) Long term Provisions	-	-	-	-
	<b>Sub Total.....(3)</b>	<b>973.45</b>	<b>1,314.09</b>	<b>1,278.38</b>	<b>1,144.67</b>
(4)	Current Liabilities				
	(a) Short Term Borrowings	1,901.87	1,951.77	1,735.12	1,172.69
	(b) Trade Payables	1640.13	-	-	-
	Outstanding due to Micro and Small Enterprises	-	-	-	-
	Outstanding due to Creditors other than Micro and Small Enterprises	-	1,414.03	1,801.94	654.01
	(C) Other Current Liabilities	344.31	309.79	264.29	267.83
	(d) Short term provisions	39.88	80.72	63.60	21.25
	<b>Sub Total.....(4)</b>	<b>3,926.19</b>	<b>3,756.31</b>	<b>3,864.95</b>	<b>2,115.78</b>
	<b>TOTAL LIABILITIES.....(1+2+3+4)</b>	<b>6,146.24</b>	<b>5,942.08</b>	<b>5,809.05</b>	<b>3,796.06</b>
	ASSETS				
(4)	Non Current Assets				
	(a) Fixed Assets				
	Property Plant and Equipment	-	-	-	-
	Tangible Assets	40.70	37.17	43.20	49.02
	Capital work-in-progress	-	-	-	-
	Intangible Assets	-	-	-	-
	(b) Non Current Investments	33.00	33.00	33.00	33.00
	(c) Deferred Tax Assets	-	-	-	-
	(d) Long term Loans and Advances	69.91	-	-	-
	(e) Other non Current Assets	-	-	-	-
	<b>Sub Total.....( 4)</b>	<b>143.61</b>	<b>70.17</b>	<b>76.20</b>	<b>82.02</b>
(5)	Current Assets				
	(a) Current Investments	-	-	-	-
	(b) Inventories	243.70	236.74	267.64	150.40
	(c) Trade Receivables	5,710.40	5,470.86	5,368.16	3,470.66
	(d) Cash and bank balances	0.03	11.51	22.86	8.84
	(e) Short Term Loans and Advances	48.51	152.80	74.19	84.14
	(f) Other Current Assets	-	-	-	-
	<b>Sub Total.....( 5)</b>	<b>6,002.64</b>	<b>5,871.91</b>	<b>5,732.85</b>	<b>3,714.04</b>
	<b>TOTAL ASSETS.....(4+5)</b>	<b>6,146.24</b>	<b>5,942.08</b>	<b>5,809.05</b>	<b>3,796.06</b>

## ANNEXURE II : RESTATED PROFIT AND LOSS STATEMENT

(₹ in Lacs)

Particulars	For the year ended			
	20th September, 2018	31st March, 2018	31st March, 2017	31st March, 2016
Income from continuing operations				
Revenue from operations	-	-	-	-
Manufacturing Activity	-	-	-	-
Trading Activity	12,906.33	25,954.19	27,059.89	21,990.37
Total	12,906.33	25,954.19	27,059.89	21,990.37
Other Income	3.82	4.89	2.49	1.86
<b>Total Revenue</b>	<b>12,910.15</b>	<b>25,959.08</b>	<b>27,062.38</b>	<b>21,992.23</b>
Expenses	-	-	-	-
Cost Of Material Consumed	12,359.56	-	-	-
Purchase of Stock in Trade	-	24834.91	26,211.54	21,357.82
Change in Inventories	-	30.90	(117.24)	(83.20)
Employee benefits expense	63.43	101.8	70.16	59.83
Finance Costs	140.77	425.88	345.87	234.97
Other expenses	230.71	334.91	377.95	349.18
Depreciation and amortisation expenses	4.01	5.57	6.67	7.45
Total Expenses	12,798.68	25,733.97	26,894.95	21,926.05
Restated profit before tax from continuing operations	111.47	225.11	167.43	66.18
Exceptional Item	-	-	-	-
Tax expense/(income)	-	-	-	-
Current tax	39.89	79.97	62.73	20.45
Deferred tax charge/(credit)	-	-	-	-
Total tax expense	-	79.97	62.73	20.45
Restated profit after tax from continuing operations (A)	71.78	145.14	104.70	45.73

## ANNEXURE III :RESTATED CASH FLOW STATEMENT

(₹ in Lacs)

Particulars	20th September, 2018	31st March, 2018	31st March, 2017	31st March, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before taxation from continuing operations (as restated)	111.67	225.11	167.43	66.18
Non cash adjustments to reconcile profit before tax to net cash flows				
Depreciation and amortisation expense	4.02	5.57	6.67	7.45
Interest income	(1.36)	-	-	-
Dividend Income	(0.98)	-	-	-
Interest expense	136.16	425.88	345.87	349.18
Operating profit before working capital changes (as restated)	249.51	656.56	519.97	422.81
Movement in Working Capital	-	-	-	-
(Increase)/decrease in Inventories	(243.70)	30.90	(117.24)	(83.20)
(Increase)/decrease in trade receivables	(5,710.40)	(102.70)	(1,897.50)	(1,217.36)
(Increase)/decrease in loans and advances	(118.41)	(78.61)	9.95	(13.58)
(Increase)/decrease in LT loans and advances	-			
(Increase)/decrease in non current Investments				
Increase/(decrease) in trade payables	2,024.32	(387.91)	1,147.93	460.92
Increase/(decrease) in Other Current Liabilities	-	45.50	(3.54)	115.18
Increase/(decrease) in Short term provisions	-	(0.12)	0.87	-
Increase/(decrease) in Long Term provisions				
<b>Cash flow from operations</b>	<b>(3,798.68)</b>	<b>163.62</b>	<b>(339.56)</b>	<b>(315.23)</b>
Direct taxes paid (including fringe benefit taxes paid) (net of refunds)	(39.89)	(62.73)	(20.45)	(17.10)
Dividend and Dividend Distribution Tax	-	-	-	-
Net cash generated from operating activities (A)	(3,838.57)	100.89	(360.01)	(332.33)
<b>B. CASH FLOW USED IN INVESTING ACTIVITIES</b>				
Purchase of fixed assets, including intangible assets, capital work in progress and capital advances	(44.72)	(1.08)	(0.85)	(21.24)
Sale of Assets	-	1.55	-	-
(Purchase)/Sale of investments	(33.00)	-	-	-
Interest received	1.36	-	-	-
Dividend Income	0.98	-	-	-
<b>Net cash used in investing activities (B)</b>	<b>(75.38)</b>	<b>0.47</b>	<b>(0.85)</b>	<b>(21.24)</b>
<b>C. CASH FLOW FROM /(USED IN) FINANCING ACTIVITIES</b>				
Proceeds from Long term Borrowings	973.45	35.71	133.71	393.22
Proceeds from Short term Borrowings	1,901.87	216.65	562.43	233.49
Proceeds from issue of Share Capital	1029.67	60.81	25.41	25.70
Share Capital & Share Application Money	-	-	-	-
Dividend and Dividend Distribution Tax	-	-	-	-
Interest paid	(136.16)	(425.88)	(345.87)	(349.18)
Reserve & Surplus	145.15			



Net cash generated from/(used in) financing activities (C)	3,913.98	(112.71)	375.68	303.23
Net increase/(decrease) in cash and cash equivalents ( A + B + C )	0.3	(11.35)	14.82	(50.34)
Cash and cash equivalents at the beginning of the year	0.3	22.86	8.84	58.38
Cash and cash equivalents at the end of the year	0.3	11.51	22.86	8.84

## ANNEXURE IV :Significant Accounting Policies

### Corporate Information

Anand Rayons Limited was incorporated on September 20,2018 under the provisions of the Companies Act, 2013 by converting partnership firm Anand Enterprise under Part I chapter XXI of the Companies Act, 2013. The company is engaged in the Trading of different types of yarns.

### SIGNIFICANT ACCOUNTING POLICIES: (AS- 1)

#### (i) METHED OF ACCOUNTING:-

- The accounts are prepared on the historical cost convention. Expenses and Income are accounted for on accrual basis.
- Sales are recognized at the point of dispatch of goods to Customers.
- Insuranceandotherclaimsarerecognizedasrevenueonrealization.Similarly,refundswwhen received are netted against relevant expenditure.

#### (ii) FIXED ASSETS:-

- The gross block of Fixed Assets is stated at cost of acquisition or construction including any cost attributable to bringing the asset to their working condition for intended use.

#### (iii) DEPRECIATION : -

During the year, pursuant to the notification of Schedule II to the CompaniesAct,2013 with effect from April1, 2014,the Company has aligned the useful life of its assets with those specified in Schedule II except in case of plant and machinery in whose case the life of the assets has been assessed based on technical advice. Further, assets individually costing of ₹ 5000/- or less that were depreciated fully in the year of purchase are now depreciated based on useful life considered by the Company for the respective category of assets. The details of previously applied depreciation method, rates /useful life are as follows:-

Assests	Previous Depreciation Method	Previous Depreciation rate/useful life	Revised useful life based on SLM
Building	W.D.V	9.50% 30 Years	30 Years
Furniture & Fixtures	W.D.V	6.33% 10 Years	10 Years
Office Equipment	W.D.V	6.33% 10 Years	10 Years
Computer	W.D.V	16.21% 8 Years	8 Years
Vehicle	W.D.V	9.50% 8 Years	8 Years

#### (iv) INVESTMENT

Long Term Investment are valued at cost of Acquisition.

(v) The outstanding dues owned by the Company to S.S.I. undertaking for a sum of ₹ 1.00 Lacs or more which is outstanding for more than 30 days is ₹ Nil/-

#### (vi) RELATED PARTIES DISCLOSOSURE

Sr no	Name of Related Parties	Relationship	Related Party Transaction
1	Anand Cotex Pvt Ltd	Anand Bakshi is Common Director	-
2	Dhruv Trading	Proprieter is wife of Director Anand Bakshi	Loan Received
3	Jay Syntex	Proprieter is Mother of Director Anand Bakshi	

There were no related party transactions attracting the compliance u/s. 177 of the Companies Act

**ANNEXURE V : Notes on Accounts**

**Note 1 Provision for taxation**

The Company has made provision for Income Tax of Rs 39,88,624 (Thirty Nine Lacs Eighty Eight thousand and Six Hundred Twenty Four ) only after taking into account unabsorbed losses/depreciation brought forward from Previous year.

**Note 2 Provision for change in accounting policy**

No accounting Policies have been changed during the period.

**Note 3 Amounts in the financial statements**

Amounts in the financial statements are rounded off to nearest rupees. Figures in brackets indicate negative values

**NOTE 4**

(₹ in Lacs)

Particular	As at 20.09.2018	at 31.03.2018	As at 31.03.2017	at 31.03.2016
<b>SHARE CAPITAL/ Partners capital</b>				
<b>Partners capital</b>				
Opening Balance		665.72	535.61	464.18
Add: Capital brought in by the partners		40.29		1.50
Add : Remuneration		0.60	0.60	0.60
Add : Interest		40.16	34.74	30.01
Add : profit credited to Partners capital Account		0.00	104.70	45.73
Total		746.77	675.65	542.02
Less : withdrawal During the year		20.24	9.93	6.41
Total		726.53	665.72	535.61
<b>AUTHORISED</b>				
EQUITY SHARES OF RS 10 EACH	1100	-	-	-
<b>ISSUED SUBSCRIBED &amp; PAID UP</b>				
EQUITY SHARES OF RS.10/- EACH	1029.67	-	-	-
<b>SUBSCRIBED AND FULLY PAID UP CAPITAL</b>				
EQUITY SHARES OF RS.10/- EACH FULLY PAID UP	1029.67	-	-	-
<b>Total</b>	<b>1029.67</b>	<b>726.53</b>	<b>665.72</b>	<b>535.61</b>

**RECONCILIATION OF THE NUMBER OF SHARES AT THE BEGINNING & END OF THE REPORTING PERIOD**

Particular	NO. OF SHARES			
	Equity shares	Equity shares	Equity shares	Equity shares
<b>AUTHORISED SHARES</b>				
PREVIOUS YEAR				
INCREASED BY/DECREASED BY				
CURRENT YEAR	10,296,721	-	-	-
<b>ISSUED, SUBSCRIBED AND FULLY PAID</b>				
NUMBER OF SHARES AT THE BEGINNING	-	-	-	-
ADD: BONUS SHARE ISSUED	-	--	-	-
ADD/LESS : EQUITY SHARES ISSUED DURING THE YEAR	-	-	-	-
<b>NUMBER OF SHARES AT THE END</b>	<b>10,296,721</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>SHARES HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES, SPECIFYING THE</b>				

<b>NUMBER OF SHARES HELD :</b>	
<b>Name of Shareholder</b>	<b>No of shares and %</b>
Mr. Gokul Bakshi	3686195 (35.80)
Mr. Anand Bakshi	3505920 (34.04)
Mrs. Shilpa Bakshi	1004860 (9.76)
Mrs. Vasuben Bakshi	1913880 (18.59)

**NOTE 5 RESERVE & SURPLUS**

(₹ in Lacs)

<b>Particular</b>	<b>As at 20.09.2018</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
<b>Surplus</b>		-	-	-
<b>Opening balance</b>				
<b>Profit and Loss account</b>	145.15	145.15	-	-
Net Profit/Net Loss Before Remuneration And Interest To Partners	71.58	-	140.04	76.34
LESS : Remuneration to Partners	-	-	0.60	0.60
LESS : Interest to Partners	-	-	34.74	30.01
LESS : Transfer to Partners	-	-	104.70	45.73
<b>TOTAL RESERVES &amp; SURPLUS</b>	<b>216.73</b>	<b>145.15</b>	<b>0</b>	<b>0</b>

**NOTE 6: Long Term Borrowings**

(₹ in Lacs)

<b>Particular</b>	<b>As at 20.09.2018</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
<b>LOAN FROM NBFC</b>				
LOANS FROM DIRECTORS	-	-	-	-
UNSECURED		163.63	152.59	132.57
LOANS FROM RELATED PARTIES:	-	-	-	-
UNSECURED	973.45	923.42	822.25	714.59
LOANS FROM OTHER PARTIES:	-	-	-	-
UNSECURED	-	227.04	303.54	294.76
<b>TOTAL</b>	<b>973.45</b>	<b>1314.09</b>	<b>1278.38</b>	<b>1141.92</b>

**NOTE 7: SHORT TERM BORROWINGS**

(₹ in Lacs)

<b>Particular</b>	<b>As at 20.09.2018</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
<b>LOAN FROM BANKS:</b>				
HDFC Bank Limited	1610.49	1,659.60	1,437.47	874.46
State Bank of India	291.38	292.17	297.65	298.23
<b>Total</b>	<b>1,901.87</b>	<b>1,951.77</b>	<b>1,735.12</b>	<b>1,172.69</b>

**NOTE 8 OTHER CURRENT LIABILITIES**

(₹ in Lacs)

<b>Particular</b>	<b>As at 20.09.2018</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
Current Maturities Of Long Term Debt-	-	-	-	-
Advance From Customers	57.50	97.5	-	1.45
Tds Payable	-	20.38	14.10	16.06
Service Tax Payable	-	-	10.28	6.32
Other Liabilities	286.81	191.91	239.91	244.00
<b>Total</b>	<b>344.31</b>	<b>309.79</b>	<b>264.29</b>	<b>267.83</b>

**NOTE 9 SHORT TERM PROVISIONS**

(₹ in Lacs)

Particular	As at 20.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
<b>OTHERS (specify nature)</b>				
Audit Fees Payable	-	0.75	0.83	0.80
Legal Fee. Payable	-	-	0.04	-
Income Tax Provision	39.88	79.97	62.73	20.05
<b>Total</b>	<b>39.88</b>	<b>80.72</b>	<b>63.60</b>	<b>21.25</b>

**NOTE 10 INVENTORIES**

(₹ in Lacs)

Particular	As at 20.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
FINISHED GOODS	243.70	236.74	267.64	150.40
<b>Total</b>	<b>243.70</b>	<b>236.74</b>	<b>267.64</b>	<b>150.40</b>

**NOTE 11 TRADE RECEIVABLES**

(₹ in lacs)

Particular	As at 20.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Debt Outstanding For More Than 6 Months	383.44	535.47	510.93	256.11
OTHERS	5,326.95	4,935.39	4,857.23	3,214.55
<b>Total</b>	<b>5,710.40</b>	<b>5,470.86</b>	<b>5,368.16</b>	<b>3,470.66</b>
Amount due from Directors/Group Companies/Promoters				

**NOTE 12 CASH AND CASH EQUIVALENTS**

(₹ in Lacs)

Particular	As at 20.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Cash on hand	0.03	0.01	0.04	0.08
Balances with schedule bank:				
Bank of Baroda	-	-	-	-
ICICI Bank Limited	-	-	-	-
HDFC Bank Limited	-	0.01	0.01	0.01
State Bank of India	-	-	0.05	-
BALANCES WITH NON SCHEDULE BANK:				
Prime Co-op Bank Ltd		11.49	22.76	8.75
<b>Total</b>	<b>0.03</b>	<b>11.51</b>	<b>22.86</b>	<b>8.84</b>

**NOTE 13 SHORT TERM LOANS AND ADVANCES**

(₹ in Lacs)

Particular	As at 20.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Deposit with Government		0.14	0.14	0.14
Deposits with Suppliers		52.30	17.97	-
Advance Income tax and TDS		69.12	37.74	44.94
Pre Paid Expenses		-	5.75	18.54
Other Advances	48.51	31.24	12.59	20.52
<b>Total</b>	<b>48.51</b>	<b>152.80</b>	<b>74.19</b>	<b>84.14</b>
Amounts due from Directors / Promoters / Promoter/ Group Companies / Relatives of Promoters / Relatives of Directors / Subsidiary Companies	-		-	-

**NOTE 14 REVENUE FROM OPERATIONS**

(₹ in Lacs)

Particular	As at 20.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
SALE OF PRODUCTS	12830.53	25954.19	27059.89	21990.37
Commission Income	75.80			
<b>Total</b>	<b>12906.33</b>	<b>25954.19</b>	<b>27059.89</b>	<b>21990.37</b>

**NOTE 15 OTHER INCOME**

(₹ in Lacs)

Particular	As at 20.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Operating Income				
Interest	1.36	3.91	1.51	0.88
Other Non- Operating Income	1.48			
Divided	0.98	0.98	0.98	0.98
<b>Total</b>	<b>3.82</b>	<b>4.89</b>	<b>2.49</b>	<b>1.86</b>

**NOTE 16 EMPLOYEE BENEFIT EXPENSES**

(₹ in Lacs)

Particular	As at 20.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Salaries and wages				
Partners remuneration		0.60	0.60	0.60
Salary and bonus expenses	52.93	92.38	61.89	51.65
Wages	-	-	-	-
Staff welfare expenses	10.50	8.82	7.67	7.58
Contribution to PF and other funds				
Esic contribution	-	-	-	-
Pf contribution	-	-	-	-
Gratuity	-	-	-	-
<b>Total</b>	<b>63.63</b>	<b>101.8</b>	<b>70.16</b>	<b>59.83</b>

**NOTE 17 FINANCIAL COSTS**

(₹ in Lacs)

Particular	As at 20.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
INTEREST EXPENSE				
Interest on Working capital Loan	74.88	182.16	145.81	104.73
Interest on others		194.95	94.24	96.30
Bank Charges	4.61	8.61	4.22	3.27
Interest to Creditors	-	-	66.82	
Interest on vehicle loan	-	-	0.04	0.66
Interest to Partners	25.58	40.16	34.74	30.01
Other Borrowing Cost	33.23			
Interest on TDS		-	-	-
Late Payment Interest	2.47			
<b>Total</b>	<b>140.77</b>	<b>425.88</b>	<b>345.87</b>	<b>234.97</b>

**NOTE 18 OTHER EXPENSES**

(₹ in Lacs)

Particular	As at 20.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Rent	3.00	13.20	2.86	1.50
Rates and Taxes	0.45	7.14	40.06	21.49
Legal and Professional Charges	1.49	1.32	1.02	1.51
Company formation Charges	19.58			
Conveyance	1.62	3.12	3.80	4.26
Packing Material Consumed	0.07			
Tour and Travelling	-	-	0.15	0.07

Printing and Stationery	0.57	1.66	2.40	1.44
Postage and Courier		0.04	0.03	0.06
Telephone and Communication	0.48	1.37	1.86	2.07
Membership and Subscription	0.53	-	-	-
Office power and Fuel	0.44	0.84	0.74	0.70
Office Overheads	0.35	0.21	0.20	0.38
Office Insurance	1.28	1.03	2.31	2.16
Consumption of Stores and Spare parts	-	0.37	0.36	1.11
Yarn Testing Charges	-	-	0.02	-
Hamali Charges	-	1.27	6.36	7.08
Pallet Charges	-	4.41	-	-
Job work Charges	73.64	49.52	92.26	57.90
Gift to Executive	-	-	-	-
Freight Forwarding & Clearing	57.37	137.18	134.19	104.24
Repairs and Maintenance	2.02	3.43	3.41	2.38
Commission and Brokerage	67.47	107.98	85.02	67.33
Advertisement and Publicity	0.13	-	-	0.04
Auditors remuneration	-	0.75	0.82	0.76
Misc Expenses	0.01	0.07	0.08	0.26
Claim and Damage	-	-	-	10.05
Sales Promotion	-	-	-	11.77
Wastage	-	-	-	0.06
Bad debts	-	-	-	50.56
Partner Remuneration	0.2			
<b>Total</b>	<b>230.67</b>	<b>334.91</b>	<b>377.95</b>	<b>349.18</b>

#### Annexure VI Other Income

(₹ in Lacs)

Particulars	As at			
	20th September, 2018	31st March, 2018	31st March, 2017	31st March, 2016
Recurring Income				
Interest	1.36	3.91	1.51	0.88
Non Operative Income	1.48			
Dividend	0.98	0.98	0.98	0.98
<b>Total</b>	<b>3.82</b>	<b>4.89</b>	<b>2.49</b>	<b>1.86</b>

#### VII - Restated Standalone Statement of Accounting Ratios

(₹ in Lacs)

Particulars	As at			
	20th September, 2018	31st March, 2018	31st March, 2017	31st March, 2017
Basic & diluted earnings per share (Rs.)	0.70	2.00	1.57	0.85
Return on Net Worth ( in Percentage)	5.76	16.65	15.73	8.54
Net Asset Value per equity share (Rs.)	12.11	12.00	10.00	10.00
Net Profit after tax as restated attributable to equity shareholders (Rs. Lacs)	71.78	145.14	104.7	45.73
Net Worth at the end of the year	1,246.60	871.68	665.72	535.61
Total number of equity shares outstanding at the end of the year	10,296,700.00	7,265,300.00	6,657,200.00	5,356,100.00

**Notes:-**(a) Basic earnings per share (Rs.)

The number of shares are considered by dividing the closing capital of partners by the face value of shares of rs 10/- each. (b) EPS Calculation has been done as per Accounting Standard-20, "Earnings Per Share" issued by The Institute of Chartered Accountants of India.

**Annexure VIII -Restated Standalone Capitalisation Statement**

(₹ in Lacs)

Particular	pre issue as on	Pre Issue as on	Post
	20th September, 2018	31.03.2018	Issue
Debt			
Long Term Debt	973.45	1314.09	993.25
Short Term Debt	1901.87	1951.77	1352.27
Total Debts (A)	2875.32	3265.86	2345.52
Equity (shareholders' funds)			0.00
Equity share capital	1029.67	726.53	1498.47
Reserve and surplus	216.93	145.15	1004.83
Total Equity (B)	1246.50	871.68	1284.42
Long Term Debt / Equity Shareholders' funds	0.78	1.51	0.77
Total Debt / Equity Shareholders' funds	2.31	3.75	1.83

**Annexure IX- Restated Standalone Statement of Contingent Liabilities**

(₹ in Lacs)

Particulars	As at					
	20th September, 2018	31st March, 2018	31st March, 2017	31st March, 2016	31st March, 2015	31st March, 2014
Contingent Liabilities	Nil	Nil	Nil	Nil	Nil	Nil
Total	0	0	0	0	0	0

**Annexure X - Restated Standalone Statement of Related Party Transactions**

List of Relatives
(A) Director
Mr. Anand Bakshi
Mrs. Shilpa Bakshi
(B) Associate Companies
Anand Cotex Limited
Dhruv Trading
Jay Syntex
Sparsh
(C) Relatives
Anands HUF
Mrs. Aruni Mishra
Gokuls HUF
Mr. Gokul Bakshi
Mrs. Vasuben Bakshi
Mrs. Hema Mishra
Mrs. Jigisha Chorawala
Mrs. Nilaben Gandhi
Malay Bakshi



(₹ in Lacs)

Nature of Transaction / Name of Related Party		20th Septemebr.2018	During the year ended March 31,		
			2018	2017	2016
<b>Directors Remuneration</b>					
Mr.Gokul Bakshi	Director	0.1	0.3	0.3	0.3
Mr.Anand Bakshi	Director	0.1	0.3	0.3	0.3
Purchase of Goods					
M/s. Anand Cotex Limited	Firm in which director interested				40.97
Sale of Goods					
M/s. Anand Cotex Limited	Firm in which director interested				301.56
Loan Taken by the Company					
Mrs. Shilpa Bakshi	Director	0.00	16.62	8.25	24.99
Mrs. Aruni Mishra	Relative of Director	126.00	55.00	32.00	227.00
Mrs. Vasuben Bakshi	Relative of Director	0.00	4.47	3.36	3.04
M/s. Dhruv Trading	Relative of Director	3.23	19.49	18.75	29.54
M/s. Anands HUF	Relative of Director	159.95	11.49	5.60	6.98
M/s. Gokuls HUF	Relative of Director	0.00	30.89	24.92	20.14
M/s. Jay Syntex	Relative of Director	0.00	23.72	29.38	32.85
Sparsh	Relative of Director	0.00	24.44	19.19	46.33
Mrs. Hema Mishra	Director				3.00
Mr. Malay Bakshi					
Loan Paid back by the Company					
Mrs. Shilpa Bakshi	Director	91.67	7.86	2.38	0.00
Mrs. Aruni Mishra	Relative of Director	0.00	40.00	0.00	0.00
Mrs. Vasuben Bakshi	Relative of Director	33.34	3.65	2.07	0.00
M/s. Dhruv Trading	Relative of Director	0.00	0.00	0.00	0.00
M/s. Anands HUF	Relative of Director	0.55	2.78	2.51	0.00
M/s. Gokuls HUF	Relative of Director	2.03	2.41	2.21	0.00
M/s. Jay Syntex	Relative of Director	150.21	0.00	0.00	1.00
M/s. Sparsh	Relative of Director	118.69	0.00	0.00	0.00
Mrs. Hema Mishra	Director		17.21	4.60	40.00
Mr. Malay Bakshi	Relative of Director	2.67			
Balance Outstanding( Liability)					
Mrs. Shilpa Bakshi	Director	0.00	91.67	82.92	77.04
Mrs. Aruni Mishra	Relative of Director	425.00	299.00	284.00	252.00
Mrs. Vasuben Bakshi	Relative of Director	0.00	33.34	32.52	31.23
M/s. Dhruv Trading	Relative of Director	71.58	71.95	52.46	33.71
M/s. Anands HUF	Relative of Director	223.24	63.84	55.13	52.04
M/s. Gokuls HUF	Relative of Director	253.63	255.66	227.18	204.47
M/s. Jay Syntex	Relative of Director	0.00	150.21	126.49	97.11
M/s. Sparsh	Relative of Director	0.00	118.69	94.25	75.06
Mrs. Hema Mishra	Director	0.00	0.00	17.21	21.81
Mr. Malay Bakshi	Relative of Director	0.00	2.67	2.67	2.67
<b>Total</b>		<b>973.45</b>	<b>1087.05</b>	<b>974.84</b>	<b>847.16</b>

## Annexure XI . Standalone Property, plant and Equipment

(₹ in Lacs)

Particulars	20th Septemebr.2018	31st March, 2018	31st March, 2017	31st March, 2016
Tangible Fixed Assets				
Office				
Gross Block	14.68	16.32	18.13	3.77
Add : Addition during the Year				16.36
Less : Sold/ Disposed off During the Year				
Less : Depreciation		1.63	1.81	2
Net Block	14.68	14.69	16.32	18.13
Office Equipment				
Gross Block	3.23	3.46	3.88	2.46
Add : Addition during the Year	0.41	0.27	0.12	2.03
Less : Sold/ Disposed off During the Year				
Less : Depreciation	0.17	0.48	0.54	0.61
Net Block	3.64	3.25	3.46	3.88
Vehicle				
Gross Block	18.70	22.97	26.44	28.55
Add : Addition during the Year	7.04	0.56	0.57	2.42
Less : Sold/ Disposed off During the Year		1.55		
Less : Depreciation		3.3	4.04	4.53
Net Block	25.74	18.68	22.97	26.44
Furniture and Fixture				
Gross Block	0.26	0.29	0.26	0.29
Add : Addition during the Year			0.06	
Less : Sold/ Disposed off During the Year				
Less : Depreciation		0.03	0.03	0.03
Net Block	0.26	0.26	0.29	0.26
Computer				
Gross Block	0.3	0.16	0.31	0.16
Add : Addition during the Year	0.09	0.26	0.1	0.43
Less : Sold/ Disposed off During the Year				
Less : Depreciation		0.13	0.25	0.28
Net Block	0.39	0.29	0.16	0.31
<b>Total Net Block</b>	<b>44.71</b>	<b>37.17</b>	<b>43.2</b>	<b>49.02</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Prospectus. You should also read the section entitled "Risk Factors" beginning on page no. 12, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year ("Fiscal Year") are to the twelve-month period ended March 31 of that year.

### Business Overview

#### Significant developments subsequent to the last financial year:

After the date of last Audited accounts i.e. September 20, 2018, the Directors of our Company confirm that, there have not been any significant material developments

#### Discussion on Results of Operation:

The following discussion on results of operations should be read in conjunction with the Audited Financial Results of our firm for the period ended on September 20, 2018 and for the years ended March 31, 2016, 2017 and 2018.

#### Key factors affecting the results of operation:

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

- Political Stability of the Country.
- World Economy.
- Government policies for the Textile Industry.
- Investment Flow in the country from the other countries.
- Competition from existing players:
- Company's ability to successfully implement growth strategy
- Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate
- Recession in the market
- Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;

### OUR SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer Significant Accounting Policies, "Annexure IV" beginning under Chapter titled "Financial Information of our Company" beginning on page no.89 of the Draft Prospectus.

#### Financial performance of the stub period for the period ended on September 20,2018

(₹ in Lacs)

Income from continuing operations	September 20, 2018	%
Revenue from operations		
Total	<b>12,906.33</b>	99.97
Other Income	3.82	0.03
<b>Total Revenue</b>	<b>12,910.15</b>	<b>100.00</b>
<b>Expenses</b>		
Material cost	<b>12359.56</b>	<b>95.74</b>
Change in Inventory		
Employee benefits expense	63.63	0.49
Finance Costs	140.77	1.09
Other expenses	230.71	1.79
Depreciation and amortisation expenses	4.01	0.03
<b>Total Expenses</b>	<b>12,798.68</b>	99.14

<b>Restated profit before tax from continuing operations</b>	<b>111.47</b>	0.86
<b>Exceptional Item</b>		
<b>Tax expense/(income)</b>		
Current tax	39.89	
<b>Total tax expense</b>	<b>39.89</b>	
<b>Restated profit after tax from continuing operations (A)</b>	<b>71.58</b>	0.55

### Income from Operations

The Total income from the Operation for the stub period ended on September 20,2018 was ₹ 12910.15 consist of Revenue from trading of yarns of ₹ 12906.33 lacs and from other income ₹ 3.82 lacs.

### Total Expenditure

The total expenditure for stub period ended on September 20,2018 was ₹12798.68 lacs which is 99.14 % of the total revenue for the stub period. The major expenditure which is part of the total expenditure is purchase of material amounting to ₹ 12359.56 lacs (95.74 %).

### Profit after Tax

The profit for the stub period was ₹71.58 lacs representing to 0.55 % of the total revenue.

### RESULTS OF OUR OPERATION

(₹ in Lacs)

Particulars	For the year ended on		
	31.03.2018	31.03.2017	31.03.2016
<b>Income from continuing operations</b>			
Revenue from operations			
Total Revenue	25,954.19	27,059.89	21,990.37
<b>% of growth</b>	(4.09)	23.05	
Other Income	4.89	2.49	1.86
<b>Total Revenue</b>	<b>25,959.08</b>	<b>27,062.38</b>	<b>21,992.23</b>
% of Growth	(4.08)	23.05	
<b>Expenses</b>			
Purchase of stock in trade	24,865.81	26,094.30	21274.62
% total Revenue	95.79	96.42	96.74
Employee benefits expense	101.8	70.16	59.83
<b>% Increase/(Decrease)</b>	45.10	17.27	
Finance Costs	425.88	345.87	234.97
<b>% Increase/(Decrease)</b>	23.13	47.20	
Other expenses	334.91	377.95	349.18
<b>% Increase/(Decrease)</b>	(11.39)	8.24	
Depreciation and amortisation expenses	5.57	6.67	7.45
<b>% Increase/(Decrease)</b>	(16.49)	(10.47)	
<b>Total Expenses</b>	<b>25,733.97</b>	<b>26,894.95</b>	<b>21,926.05</b>
% to total revenue	99.13	99.38	99.70
<b>EBDITA</b>	<b>656.56</b>	<b>519.97</b>	<b>308.60</b>
<b>% to total revenue</b>	2.53	1.92	1.40
<b>Restated profit before tax from continuing operations</b>	225.11	167.43	66.18
<b>Exceptional Item</b>			
Total tax expense	79.97	62.73	20.45
<b>Restated profit after tax from continuing</b>	145.14	104.70	45.73

<b>operations (A)</b>			
<b>% to total revenue</b>	0.56	0.39	0.21

### **COMPARISON OF FY 2018 WITH FY 2017:**

#### **Income from Operations**

The company is in business of trading into different type of yarns like embroidery yarn and dyed yarn. The firm holds a major market share of the dope dyed yarn trade & has goods converted from spinners on a monthly basis. The total income from operations for the FY 2018 was ₹ 25954.19 Lacs as compared to ₹27059.89 Lacs during the FY 2017 showing Decrease of 4.09 %. The Turnover is not reduced in the FY 2018 compared to FY 2017, However amount wise it was decreased because the Turnover of FY 2017 is inclusive of Taxes while in FY 2018 it was Basic amount without tax.

#### **Expenditure:**

##### **Material Cost :**

The material cost for FY 2018 was ₹24865.81 Lacs which was 95.79% of the total revenue. In FY 2017 the material cost was ₹ 26094.30 lacs which was 96.42 % of total Revenue.

##### **Employee Benefits Expenses :**

The Employee expenses for FY 2018 was ₹101.80 lacs against the expenses of ₹70.16 lacs in FY 2017 showing increase of 45.10%. The increase in the employee expenses was on account of increase in salaries of existing staff by 24.68% and addition of 4 new employees with annual salaries of Rs.14,46,000.

##### **Other Expenses :**

Other Expenses decreased from ₹377.95 Lacs for FY 2017 to ₹334.91 Lacs for FY 2018 showing decrease of 11.39%. The other expenses includes mainly Job work charges, commission and brokerage and Freight Forward and Clearing charges. The main reason for reduction of the Other expenses was due to reduction of job work charges in FY 2018 compared to FY 2017.

##### **Interest & Financial Charges :**

Interest and Financial charges increased from ₹ 345.87 Lacs for FY 2017 to ₹425.88 Lacs for FY 2018 showing increase of 23.13%. The increase in financial charges were due to increase in the utilization of bank working capital limits.

##### **Depreciation :**

The Depreciation for FY 2018 was ₹5.57 lacs as compared to Rs. 6.67 lacs for FY 2017. The depreciation was decreased by 16.49% in FY 2018 as compared to FY 2017.

##### **Profit after Tax :**

PAT increased from ₹ 104.70 lacs for the FY 2017 to ₹145.14 Lacs in FY 2018. The profit after tax was increased as compared to FY 2017 on account of reduction on the cost of material purchased in FY 2018 as compared to FY 2017. The material cost was 95.79% in FY 2018 while it was 96.42% in FY 2017. The Profit margin was also increased from 0.39 % in FY 2017 to 0.56 % in FY 2018.

### **COMPARISON OF FY 2017 WITH FY 2016:**

#### **Income from Operations**

The company is in business of trading into different type of yarns like embroidery yarn and dyed yarn. The firm holds a major market share of the dope dyed yarn trade & has goods converted from spinners on a monthly basis. The total income from operations for the FY 2017 was ₹ 27059.89 Lacs as compared to ₹21990.37 Lacs during the FY 2016 showing an increase of 23.05 %. The reason for increase of Trading turnover in FY 2017 compared to 2016 was on account of sales of value added yarns which are approved by the Clients.

#### **Expenditure:**

##### **Material Cost :**

The material cost for FY 2017 was ₹ 26094.30 Lacs which was 96.42% of the total revenue. In FY 2016 the material cost was ₹ 21274.62 lacs which was 96.74 % of total Revenue.

**Employee Benefits Expenses :**

The Employee expenses for FY 2017 was ₹70.16 lacs against the expenses of ₹59.83 lacs in FY 2016 showing increase of 17.27 % . The increase in the employee expenses was on account of increase in salaries of existing staff by 11.65% and addition of 2 new employees with annual salaries of Rs.4,22,400/-.

**Other Expenses :**

Other Expenses increased from ₹ 349.18 Lacs for FY 2016 to ₹377.95 Lacs for FY 2017 showing increase of 8.24%.The other expenses includes mainly Job work charges, commission and brokerage and Freight Forward and Clearing charges. The main reason for increase of the Other expenses was due to increase of Job work charges, commission and brokerage and Freight Forward and Clearing charges in FY 2017 compared to FY 2016 on account of increase of the income from operations. .

**Interest & Financial Charges :**

Interest and Financial charges increased from ₹ 234.97 Lacs for FY 2016 to ₹345.87 Lacs for FY 2017 showing increase of 8.24%. The increase in financial charges were due to interest payment to creditors and increase in the utilization of bank working capital limits.

**Depreciation:**

The Depreciation for FY 2017 was ₹ 6.67 lacs as compared to Rs. 7.45 lacs for FY 2016. The depreciation was decreased by 10.47 % in FY 2017 as compared to FY 2016.

**Profit after Tax :**

PAT increased from ₹ 45.73 lacs for the FY 2016 to ₹ 104.70 Lacs in FY 2017. The profit after tax was increased as compared to FY 2016 on account of reduction on the cost of material purchased in FY 2017 as compared to FY 2016. The material cost was 96.42% in FY 2017 while it was 96.74% in FY 2016. The Profit margin was also increased from 0.21% in FY 2016 to 0.39% in FY 2017.

**Related Party Transactions :**

For further information please refer “Annexure X” beginning under the chapter titled “Financial Information of our Company” beginning on page no.89 of the Draft Prospectus.

**Financial Market Risks :**

We are exposed to financial market risks from changes in borrowing costs, interest rates and inflation.

**Interest Rate Risk :**

We are currently exposed interest to rate risks to the extent of outstanding loans. However, any rise in future borrowings may increase the risk.

**Effect of Inflation :**

We are affected by inflation as it has an impact on the operating cost, staff costs etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

**Information required as per Item (II) (C) (i) of Part A of Schedule VI to the SEBI Regulations:**

**1. Unusual or infrequent events or transactions**

To our knowledge there have been no unusual or infrequent events or transactions that have taken place during the last three years.

**2. Significant economic changes that materially affected or are likely to affect income from continuing operations.**

Our business has been subject, and we expect it to continue to be subject to significant economic changes arising from the trends identified above in ‘Factors Affecting our Results of Operations’ and the uncertainties described in the section entitled ‘Risk Factors’ beginning on page no.12 of the Draft Prospectus. To our knowledge, except as we

have described in the Draft Prospectus, there are no known factors which we expect to bring about significant economic changes.

**3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

Apart from the risks as disclosed under Section titled “Risk Factors” beginning on page no.12 in the Draft Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

**4. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.**

Our Company’s future costs and revenues will be determined by demand/supply in telecom sector and government telecom policies

**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.

**5. Total turnover of each major industry segment in which the issuer company operated.**

The Company is in the business of trading into different type of yarns like embroidery yarn and dyed yarn. The relevant industry data, as available, has been included in the chapter titled "Industry Overview" beginning on page no.53 of this draft prospectus.

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

Our Company has not announced any new product and segment.

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

Our Company’s business is not seasonal. However the business of the company depend upon the Growth potential of the economy and growth of the country

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

We are not dependant significantly on single customers. However the total supply by top 5 suppliers account for 73.65 %of total purchase in the year 2017-18. The year wise breakup of the top 5 suppliers for last three years is given below.

Particulars	% of Total purchase		
	31.03.2018	31.03.2017	31.03.2016
Top 5 Suppliers	73.65	78.88	85.75

**10. Competitive conditions.**

Competitive conditions are as described under the Chapters titled “Industry Overview” and “Business Overview” beginning on page nos. 53 and 60 respectively of the Draft Prospectus.

**OTHER FINANCIAL INFORMATION**

**(1) STATEMENT OF ACCOUNTING RATIOS**

(₹ in Lacs) ( except No of shares)

Particulars	As at			
	20th September, 2018	31st March, 2018	31st March, 2017	31st March, 2017
Basic & diluted earnings per share (Rs.)	0.70	2.00	1.57	0.85
Return on Net Worth ( in Percentage)	5.76	16.65	15.73	8.54
Net Asset Value per equity share (Rs.)	12.11	12.00	10.00	10.00
Earning Before Interest, Tax, Depreciation and Amortisation( EBITDA)	256.45	656.56	519.97	308.60
Net Profit after tax as restated attributable to equity shareholders (Rs. Lacs)	71.78	145.14	104.7	45.73
Net Worth at the end of the year	1,246.60	871.68	665.72	535.61
Total number of equity shares outstanding at the end of the year	10,296,700.00	7,265,300.00	6,657,200.00	5,356,100.00

**(2) CAPITALISATION STATEMENT**

(₹ in Lacs)

Particular	pre issue as on	Pre Issue as on	Post Issue
	20th September, 2018	31.03.2018	
Debt			
Long Term Debt	973.45	1314.09	993.25
Short Term Debt	1901.87	1951.77	1352.27
Total Debts (A)	2875.32	3265.86	2345.52
Equity (shareholders' funds)			0.00
Equity share capital	1029.67	726.53	1498.47
Reserve and surplus	216.93	145.15	1004.83
Total Equity (B)	1246.50	871.68	1284.42
Long Term Debt / Equity Shareholders' funds	0.78	1.51	0.77
Total Debt / Equity Shareholders' funds	2.31	3.75	1.83

**(3) Change in Share Capital since the date as of which the Financial Information has been disclosed in the offer document**

There is no change in the Share Capital since the date as of which the Financial Information has been disclosed in the offer document.



**SECTION VII – LEGAL AND OTHER INFORMATION**  
**OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

*Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions, proceedings before any judicial, quasi-judicial, arbitral or administrative tribunals, including pending proceedings for violation of statutory regulations or alleging criminal or economic offences or tax liabilities or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part I of Schedule XIII of the Companies Act ) against our Company, Promoter, Group Companies and Directors as of the date of this Draft Prospectus that would have a material adverse effect on our business. There are no defaults, non-payments or overdue of statutory liabilities, institutional/ bank dues and dues payable to holders of debentures or fixed deposits and arrears of cumulative preference shares that would have a material adverse effect on our business.*

Further, our Company has a policy for identification of Material Litigation in terms of the SEBI (ICDR) Regulations, 2018 as amended for disclosure of all pending litigation involving the Issuer, its directors, promoters and group companies, other than criminal proceedings, statutory or regulatory actions and taxation matters where the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess 5,00,000 and such pending cases are material from the perspective of the Issuer’s business, operations, prospects or reputation.

The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI (ICDR) Regulations, 2018 as amended for creditors where outstanding due to any one of them exceeds 15,00,000 of consolidated trade payables as per the last audited financial statements of the Issuer.

**PART 1 – Contingent Liabilities of Our Company**

Particulars	Amount Disputed ( Rupees in Lacs)
NIL	NIL
<b>TOTAL</b>	<b>NIL</b>

**PART 2 – LITIGATIONS RELATING TO OUR COMPANY**

**A. FILED AGAINST OUR COMPANY**

- 1) Litigation involving Criminal Laws  
NIL
- 2) Litigation Involving Actions by Statutory/Regulatory Authorities  
NIL
- 3) Disciplinary action including penalty imposed by SEBI or Stock Exchanges against the promoters last five financial years including outstanding action  
NIL
- 4) Litigation involving Tax Liability  
NIL
- 5) Other Pending Litigation  
NIL

**B. CASES FILED BY OUR COMPANY**

- 1) Litigation involving Criminal Laws

**Cases filed under The Negotiable Instrument Act,1881**

Our Company has filed cases under The negotiable Instrument Act,1881 for recovery of Rs 139.21 lacs against the seven parties whose cheques were dishonored which were given to the erstwhile partnership firm against the supply of goods.

Case No	Name of the Party	Amount involved	Remark
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		(In Rs)	
CC/23912/12	Rajesh B Patel Prop. of Riddhi textile	17,85,027	The Party has paid Rs 7,21,315 after the case filed
CC/33242/13	Amit Chhaganbhai Patel Prop. khodiyar Enterprise	2,00,000	
CC/26534/14 and CC/26536/14	Karsan Ambabhai Vaghasia Prop. Price Textiles	5,40,305	
DARKHAST/40/18	Tarunaben Mahendrakumar Prop. Meena Fabrcis	2,47,992	
CC/67807/16 CC/67811/16 CC/67814/16 CC/67831/16 CC/67839/16	Abhishek Dharmesh Jariwala Prop. Abhishek Trading	52,61,092	
CC/67809/16 CC/67844/16 CC/67184/16	Dharmesh Jariwala Prop. Shree Sai Agency	21,11,100	
CC/26229/17 CC/27070/17 CC/27078/17 CC/27080/17	Ashok Patel Prop.A.Text	37,76,116	
<b>Total</b>		<b>1,39,21,632</b>	

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Litigation involving Tax Liability

NIL

4) Other Pending Litigation

NIL

**PART 3: LITIGATION RELATING TO OUR DIRECTORS AND PROMOTERS OF THE COMPANY**

**A. LITIGATION AGAINST OUR DIRECTORS AND PROMOTERS**

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Disciplinary action including penalty imposed by SEBI or Stock Exchanges against the promoters on the last five financial years including outstanding action

NIL

4) Litigation involving Tax Liability

NIL

5) Other Pending Litigation

NIL

6) Directors on list of wilful defaulters of RBI

NIL

**B. LITIGATION FILED BY OUR DIRECTORS AND PROMOTERS**

- 1) Litigation involving Criminal Laws  
NIL
- 2) Litigation Involving Actions by Statutory/Regulatory Authorities  
NIL
- 3) Litigation involving Tax Liability  
NIL
- 4) Other Pending Litigation  
NIL

**PART 4: LITIGATION RELATING TO OUR GROUP COMPANIES**

**A. LITIGATION AGAINST OUR GROUP COMPANIES**

- 1) Litigation involving Criminal Laws  
NIL
- 2) Litigation Involving Actions by Statutory/Regulatory Authorities  
NIL
- 3) Litigation involving Tax Liability Direct Tax

Nature of Case	Number of Case	Amount Involved( Rs in Lacs)
Direct Tax	1	12.06

- 5) Other Pending Litigation  
NIL

**B. LITIGATION FILED BY OUR GROUP COMPANIES**

- 1) Litigation involving Criminal Laws  
NIL
- 2) Litigation Involving Actions by Statutory/Regulatory Authorities  
NIL
- 3) Litigation involving Tax Liability
  - i. Direct Tax  
NIL
  - ii. Indirect Tax  
NIL
- 4) Other Pending Litigation  
NIL

**PART 6: AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS**

As of September 20, 2018 our Company had 37 creditors, to whom a total amount of Rs. 531.17 lakhs was outstanding. As per the requirements of SEBI Regulations, our Company, pursuant to a resolution of our Board dated February 19, 2019, considered creditors amounting to Rs 425.88 lacs to whom the amount due exceeds Rs. 15.00 lakhs as per our Company's restated financials for the purpose of identification of material creditors.

Sr. No	Particulars	Amount (Rs. in Lacs)
1	Amount due to Micro and Small Enterprises	Nil

2	Amount due to Material Creditors.	425.88
3	Amount due to Other Creditors.	105.19
	<b>Total</b>	<b>531.17</b>

Further, none of our creditors have been identified as micro enterprises and small scale undertakings by our Company based on available information. For complete details about outstanding dues to creditors of our Company, please see website of our Company [www.anandrayons.com](http://www.anandrayons.com).

Information provided on the website of our Company is not a part of this Draft Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website [www.anandrayons.com](http://www.anandrayons.com). would be doing so at their own risk.

**PART 7: MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE**

Except as disclosed in Chapter titled “*Management’s Discussion & Analysis of Financial Conditions & Results of Operations*” beginning on page no.105, there have been no material developments that have occurred after the Last Balance Sheet Date.

## GOVERNMENT AND OTHER STAUTORY APPROVALS

In view of the approvals listed below, the Company can undertake this Issue and its current business activities and no further major approvals from any governmental or regulatory authority except proposed activities of Company or any other entity are required to undertake the Issue or continue its business activities.

Following statement sets out the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business.

### (A) Approvals for the Issue

1. The Board of Directors has, pursuant to a resolution passed at its meeting held on November 28, 2018 authorised the Issue subject to the approval of the shareholders of the Company under Section 62 (1) (c) of the Companies Act, 2013 and approvals by such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to a resolution dated December 13, 2018 passed in the EGM under Section 62 (1) (c) of the Companies Act, 2013 authorised the Issue.
3. The Company has obtained in-principle listing approval from the SME platform of the BSE dated [•].
4. The Company has entered into an agreement dated December 20, 2018 with the Central Depository Services (India) Limited (CDSL") and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.
5. Similarly, the Company has also entered into an agreement dated November 06, 2018 with the National Securities Depository Limited ("NSDL") and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.
6. The Company's International Securities Identification Number ("ISIN") is INE02GA01012.

### (B) Registration under the Companies Act, 1956/2013:

Sr. No.	Authority Granting Approval	Approval / Registration No.	Applicable Laws	Nature Of Approvals	Validity
1.	Deputy Registrar of Companies, Central Registration Center Ministry of Corporate Affairs.	U51909GJ2018PLC104200 vide Certificate of Incorporation dated October 02, 2018	Companies Act, 2013	Certificate of Incorporation	Valid, till Cancelled

### (C) Registration under various Acts/Rules relating to Income Tax, Sales Tax, Value Added Tax, Central Excise and Service Tax :

Sr. No.	Authority Granting Approval	Approval/ Registration No.	Applicable Laws	Nature Of Approvals	Validity
1.	Income Tax Department- (PAN)*	AARCA3814G	Income Tax Act 1961	Permanent Account Number	Valid, till Cancelled
2.	Income Tax Department-(TAN)	SRTA10259E	Income Tax Act 1961	Tax Deduction and collection Account Number	Valid, till Cancelled
3.	Gujarat Goods and Services Tax Act, 2017(Corporate Office at Surat)	24AARCA3814G1ZR	Gujarat Goods and Services Tax Act, 2017	Goods and Services Tax	Valid, till Cancelled
4.	Surat Municipal Corporation*	SZ/C/Khatodara/543834	Mumbai Shops and Establishment Act, 1948.	Registration Certificates under Shops and Establishment Act, 1948.	-
5.	Surat Municipal	Registration No.:	Gujarat State Tax	Registration	Valid, till

	Corporation*	PECO3SZ56271	on Profession, Trade, Calling and Employment Act, 1976.	Certificates under Professional Tax.	Cancelled
6.	Employees' Provident Fund Organisation	Registration No-SRSRT1817905000	Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Registration with Provident Fund Authority.	Valid, till Cancelled
7.	Assistant Director Sub-Regional Office, Employees' State Insurance Corporation	39000561430000199	Employee State Insurance Act, 1948 (E.S.I. Act, 1948)	Registration with ESIC Authority	Valid, till cancelled

\* All the above licenses and permissions are in the name of Anand Enterprises, Company is taking action to get it in the name of Anand Rayons Limited,

## FINANCIAL INFORMATION OF OUR GROUP COMPANY

The definition of 'group companies' was amended pursuant to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, to include companies (other than Promoter and Subsidiary/Subsidiaries with which there were related party transactions, during the period for which financial information is Disclosed , as covered under the applicable accounting standards , and other companies as are considered material by the Board of the Company. Pursuant to a Board resolution dated November 28, 2018, our Board formulated a policy with respect to companies which it considered material to be identified as group companies, pursuant to which the following entities are identified as Group Companies of our Company.

Except as stated below, there is no company which is considered material by the Board of Directors of our Company to be identified as Group Company.

### The list of our Group Companies/Entities:

Anand Cotex Limited

The details of our Group Company is given below:

#### Anand Cotex Limited

Brief Corporate Information

<b>Date of Incorporation</b>	July 15, 1993
<b>Current Activities</b>	To carry on business as manufacturers, traders, spinners, weavers, processors, importers, exporters, agents and dealers in natural and synthetic and man made fibre cloth and yarns and cotton, jute, silk, wool, hemp, flax, nylon, art silk and polyester and to texturise, draw, twist, crimp, size bleach and dye such yarn and to make, produce, process, print, weave and finish fabrics made from such yarns.
<b>CIN</b>	U45100GJ1993PLC019849
<b>Registered Office Address</b>	305-306, Jaysagar Complex B/h. Sub Jail Khatodara Ring Road Surat Gujarat-395002.

Board of Directors As on March 31, 2018 the Board of Directors comprised of:

Sr. No.	Name of the Directors	Designation	DIN Number
1.	Mr. Anand Bakshi	Director	01942639
2.	Mr. Gokul Bakshi	Director	01942664
3.	Mrs. Shilpa Bakshi	Director	07986896

### Shareholding Pattern

As on March 31, 2018 the Shareholding Pattern is as follows:

Sr. No.	Name of the shareholder	Number of Equity shares held	Percentage holding (%)
1.	Mr. Anand Bakshi	2,42,200	24.97
2.	Mr. Gokulbhai Bakshi	2,42,500	25.00
3.	Mrs. Vasuben Bakshi	2,42,460	25.00
4.	Mrs. Shilpaben Bakshi	2,42,462	25.00
5.	Mrs. Hema Mishra	100	00.01
6.	Mrs. Jigisha Chhorawala	100	00.01
7.	Mrs. Nila Gandhi	100	00.01
	<b>Total</b>	969922	100.00

### Financial Performance

The summary of audited financials is as follows:

(₹in Lacs)

Particulars	March 31,2018	March 31, 2017	March 31, 2016
Equity Share Capital (face value ₹ 10/- each)	96.99	66.99	66.99
Reserves & Surplus (excluding revaluation reserve)	422.58	295.48	291.98
Net worth	519.17	362.47	358.97
Total Income	266.77	13.52	727.12
Profit/ (Loss) after Tax	7.10	3.50	9.51
Earnings Per Share (in ₹)	0.73	0.52	1.42
Net Asset Value Per Share (in ₹)	53.57	54.11	53.58

- ❖ **The Company is not a listed Company**
- ❖ **The Company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.**
- ❖ **There are no defaults in meeting any Statutory/bank/institutional dues and no proceedings have been initiated for economic offences against the Company**

**Common Pursuit:**

Our Group Company Anand Cotex Limited is carrying on the same activities in which our company is operating.

**Disassociation of Promoter in the Last Three Year:**

Our Promoter has not been disassociated himself from any company in the preceding three years.

**Business Interests amongst our Company and Group Company /Associate Company**

We have entered into certain business contracts with our Group Entities. For details, see “Related Party Transactions” on page no. 102 of Draft prospectus.

Other than as stated above, none of our Group Entities have any business interest in our Company.

**Litigation**

For details relating to the legal proceedings involving the Group Entities, see “Outstanding Litigations and Material Developments” on page no.111 of this Draft Prospectus.

**Defunct /Struck of Company:**

There are no Companies in our group listed above which have been declared as a sick company under the SICA. There are no winding up proceedings against any of Promoter Group Companies.



## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **AUTHORITY FOR THE ISSUE**

The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on November 28, 2018 subject to the approval of shareholders of our Company through a special resolution to be passed pursuant to Section 62(1) (c) vis-à-vis of the Companies Act, 2013.

The shareholders of our Company have authorised the Issue by a special resolution passed pursuant to Section 62(1) (c) vis-à-vis of the Companies Act, 2013 at the EGM of our Company held on December 13, 2018.

We have received In- Principle Approval from BSE vide their letter dated [•] to use the name of BSE in the Prospectus for listing of our Equity Shares on SME Platform of BSE. BSE is the Designated Stock Exchange.

### **PROHIBITION BY SEBI**

Our Company, Promoter, Promoter Group and Directors have not been prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authorities. None of our Promoter, Directors was or also is a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI.

Our Directors are not in any manner associated with the securities market and no action has been taken by the SEBI against any of the Directors or any entity with which our Directors are associated as promoter or directors.

### **CONFIRMATION**

1. Our Company, our Promoter and Promoters' Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.
2. None of the Directors in any manner associated with any entities which are engaged in securities market related business and are registered with the SEBI.
3. There has been no action taken by SEBI against any of our Directors or any entity with which our Directors are associated as Promoter or directors.

### **PROHIBITION BY RBI OR GOVERNMENTAL AUTHORITY**

Neither our Company, nor our Promoter, or the relatives (as defined under the Companies Act) of our Promoters or Group Companies/Entities have been identified as willful defaulters by the RBI or any other governmental authority.

### **ELIGIBILITY FOR THE ISSUE**

Our company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, 2018; and this Issue is an "Initial Public Offer" in terms of the SEBI (ICDR) Regulations, 2018.

Our Company is eligible for the Offer in accordance with regulation 229(2) and other provisions of chapter IX of the SEBI (ICDR) Regulations 2018 as the post Offer face value capital in more than Rs. 1,000 lakhs and upto Rs. 2,500 lakhs. Our Company also complies with the eligibility conditions laid by the SME Platform of BSE Limited for listing of our Equity Shares.

### **We confirm that:**

1. In accordance with Regulation 246 the SEBI (ICDR) Regulations, 2018, the lead manager Shall ensure that the issuer shall file copy of the draft Prospectus/prospectus with SEBI along with Due Diligence certificate including additional confirmations as required at the time of filing the Draft Prospectus/Prospectus of SEBI.
2. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, 2018, this issue has been hundred percent underwritten and that the Lead Manager to the Issue has underwritten at least 15% of the Total Issue Size. For further details pertaining to said underwriting please see "General Information" on page no. 25 of this Draft Prospectus.
3. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, 2018, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be

unblocked forthwith. If such money is not unblocked within eight days from the date our Company becomes liable to unblock it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to unblock such application money with interest as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable laws.

4. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we shall enter into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the arrangement of market making please see “General Information” on page no. 25 of this Draft Prospectus.

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

Our Company is also eligible for the Issue in accordance with eligibility norms for Listing on SME Exchange / Platform BSE circular dated April 19, 2012 and notice dated February 5, 2015, July 11,2018 and January 09,2019 which states as follows:

**1. The issuer should be a Company incorporated Under Companies Act,1956**

Our Company is incorporated under the Companies Act,1956.

**2. The post issue paid up capital of the company (face value) shall not be more than ₹ 25 crores.**

The post issue paid up capital of the Company will be ₹14.98 crores, less than ₹ 25 crores

**3. Positive Net Worth of ₹300.00 Lakhs**

Our Company satisfies the above criteria. Our Net Worth as per the latest audited financial statements i.e as on September 20, 2018 is ₹ 1246.60 lakhs.

(₹ in lakhs)

Particulars	September 20,2018	March 31,2018	March 31, 2017	March 31, 2016
Net Worth as per Restated Financial Statement	1246.60	871.68	665.72	535.61

**4. Net Tangible Assets of ₹ 300.00 Lakhs**

Our Company satisfies the above criteria. Our Net Tangible Assets as per the latest audited financial statements i.e as on September 20, 2018 is ₹ 1246.60 lakhs.

(₹ in lakhs)

Particulars	September 20,2018	March 31,2018	March 31, 2017	March 31, 2016
Net Tangible Assets as per Restated Financial Statement	1,246.60	871.68	665.72	535.61

**5. Track Record**

**(A) The company should have a (combined) track record of at least 3 years.**

Our Company satisfies the criteria of Track Record

(₹ in lakhs)

Particulars	September 20,2018	March 31,2018	March 31, 2017	March 31, 2016
Net Profit as per P&L Account	71.78	145.14	104.70	45.73

**6. The company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the tripartite agreements with the Depositories and the Registrar and Share Transfer Agent.

The Company's shares bear an ISIN No: INE02GA01012

**7. Company shall mandatorily have a website.**

Our Company has a live and operational website: [www.anandrayons.com](http://www.anandrayons.com)

**Certificate from the applicant company stating the following:**

Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

There is no winding up petition against the company that has been admitted by the Court and accepted by a court or a Liquidator has not been appointed.

There has been no change in the promoter/s of the Company in preceding one year from the date of filing application to BSE for listing on SME segment.

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

**SEBI DISCLAIMER CLAUSE**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT OFFER DOCUMENT/ OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT. THE LEAD MERCHANT BANKER, GUINNESS CORPORATE ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT**

**INFORMATION IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER BEELINE BROKING LIMITED HAS FURNISHED TO STOCK EXCHANGE/SEBI, A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 22, 2019, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018**

**THE FILING OF THE DRAFT OFFER DOCUMENT/OFFER DOCUMENT DOES NOT, HOWEVER,**

**ABSOLVE OUR COMPANY FROM ANY LIABILITIES THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE DRAFT OFFER DOCUMENT/OFFER DOCUMENT.**

**ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, AHMEDABAD, IN TERMS OF SECTION 26, 30, 32 AND SECTION 33 OF THE COMPANIES ACT, 2013.**

**DISCLAIMER CLAUSE OF THE BSE**

The copy of the Draft Prospectus is being submitted to BSE. Post scrutiny of the Draft Prospectus, the Disclaimer Clause as intimated by BSE to us shall be included hereunder;

**CAUTION- DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER**

The Company, the Directors, and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisements or any other material issued by or at instance of the issuer and that anyone placing reliance on any other source of information, including Company's website: [www.anandrayons.com](http://www.anandrayons.com) would be doing so at their own risk.

#### **CAUTION**

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the Lead Manager, Guinness Corporate Advisors Private Limited and our Company dated February 22, 2019 and the Underwriting Agreement dated February 22, 2019 between Guinness Corporate Advisors private Limited, Basan Financial Services Limited and our Company and the Market Making Agreement dated February 22, 2019 entered into among the Guinness Corporate Advisors Limited, Basan Equity Broking Limited and our Company.

All information shall be made available by us and LM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centers etc.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and our Promoter Group, affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company and our Promoter Group, affiliates or associates for which they have received, and may in future receive, compensation.

#### **NOTE:**

Investors that apply in this Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our company and will not offer, sell, pledge or transfer the Equity Shares of our company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our company. Our Company, the Underwriters and the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our company.

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, any FII sub-account registered with SEBI which is a foreign corporate or reign individual, permitted insurance companies and pension funds and to FIIs and Eligible NRIs. This Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Prospectus comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Suart only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Accordingly, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of Prospectus nor any sale here under shall, under any circumstances, create any implication that there has been any change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT, 1933**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the

“Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

**Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.**

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant, wherever requires, agrees that such applicant will not sell or transfer any Equity Share or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **FILING OF DRAFT PROSPECTUS WITH THE BOARD AND THE REGISTRAR OF COMPANIES**

A soft copy of Draft Prospectus is being submitted to SEBI. However, SEBI will not issue any observation on the offer document in term of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Further, a soft copy of the Prospectus along with due diligence certificate including additional confirmations shall be filed with SEBI at Western Regional Office, Unit No. 002, Ground Floor, SAKAR I, Near Gandhigram Railway Station, Opp. Nehru Bridge, Ashram Road, Ahmedabad – 380 009.

A copy of the Prospectus, along with the material contracts and documents referred elsewhere in the Draft Prospectus, will be delivered to the RoC Office situated at RoC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus-Stop, Naranpura, Ahmedabad – 380 013.

#### **LISTING**

Application is being made to the SME Platform of BSE for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the issue.

Our company has obtained In-Principle approval from BSE vide letter dated [●] to use name of BSE in the Prospectus for listing of equity shares on SME Platform of BSE.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the BSE, the Company shall refund through verifiable means the entire monies received within seven days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities, and if any such money is not repaid within eight days after the issuer becomes liable to repay it the issuer and every director of the company who is an officer in default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

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 Working Days from the Issue Closing Date.

#### **IMPERSONATION**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

(a). makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or

(b). makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(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 - any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.

Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to twenty lakh rupees or with both.

### **CONSENTS**

The written consents of Promoter, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Peer Review Auditor, Bankers’ to the Company, Legal Advisor to the Issue, the Lead Manager to the Issue, Underwriter, Registrar to the Issue and Market Makers to act in their respective capacities have been obtained.

Above consents will be filed along with a copy of the Prospectus with the ROC, as required under Sections 26 and 32 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of the Prospectus for registration with the ROC. – **NOTED FOR COMPLIANCE**

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, 2018, 1) M/s. Rajendra Sharma & Associates, Chartered Accountants, Surat have provided their written consent for the inclusion of their report dated February 14, 2019 regarding restated financial statements; and 2) M/s. Rajendra Sharma & Associates., Chartered Accountant, Surat have provided their written consent for the inclusion of Statement of Tax Benefits dated February 14, 2019 which may be available to the Company and its shareholders and the inclusion of extract of Certificate on Source of Minimum Promoters’ Contribution by Promoters dated October 22, 2018, in this Draft Prospectus.

Further, such consents and reports have not been withdrawn up to the time of delivery of this Draft Prospectus. – **NOTED FOR COMPLIANCE**

### **EXPERT OPINION**

Except for Peer Review Auditors’ reports on the restated financial statements issued by M/s. Rajendra Sharma & Associates, Chartered Accountants Surat and Statement of Tax Benefits; we have not obtained any other expert opinions.

### **PREVIOUS PUBLIC OR RIGHTS ISSUE**

Company has not made any Public or Right issue during last five years .

### **UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION**

We have not made any previous public issues. Therefore, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares of the Company since its inception.

### **CAPITAL ISSUE DURING THE LAST THREE YEARS**

Our Company and Group Companies/Entities have not made any capital issue during the last three years.

### **PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER**

For details regarding the price information and track record of the past issue handled by Guinness Corporate Advisors Private Limited, as specified in the circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by SEBI, please refer Annexure "A" and the website of Lead Manager at [www.guinnessonline.net](http://www.guinnessonline.net)

Sr. No.	Issuer Name	Issue Size(Cr)	Issue Price (Rs)	Listing Date	Opening Price on Listing Date	+/- % 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.	Jhandewalas Foods Ltd	16.01	55	12.01.2018	66	6.63	-19.55	5.45			
						-0.84	-1.88	4.76			
2.	Bhatia Communications & Retail (India) Limited	27.75	150	21.02.2018	153.95	0.00	13.50	16.67			
						-2.48	2.28	13.10			
3.	Angel Fibers Limited	18.22	27	06.03.2018	28.50	1.30	25.74	10.93			
						-0.89	5.09	14.99			
4.	Orissa Bengal Carrier Limited	16.69	30	05.04.2018	31.90	55.83	39.17	34.00			
						3.92	5.30	8.72			
5.	Taylormade Renewables Limited	11.34	35	06.04.2018	36.00	0.00	-8.29	-18.43			
						4.70	6.00	6.98			
6.	MMP Industries Limited	84.60	188	12.04.2018	242.00	18.99	6.94	3.72			
						3.33	4.67	-1.06			
7.	Waa Solar Ltd	32.20	161	12.06.2018	158.00	-54.19	-62.11	-66.46			
						1.61	6.25	-2.05			
8.	Raw Edge Industrial Solutions Ltd	16.50	72	18.07.2018	72.10	-2.92	-5.56	-5.42			
						3.55	-4.15	-1.43			
9.	A-1 Acid Limited	18.00	60	10.10.2018	61.00	4.75	1.83	NA			
						1.14	3.13	NA			
10.	Dolfin Rubber Limited	5.20	26	10.10.2018	27.50	2.88	83.46	NA			
						1.14	3.13	NA			

Note: The 30th, 90th, and 180th calendar days has been taken as listing date plus 29, 89, 179 calendar days respectively. Where the 30th day/90th day/180th day of a particular year falls on a stock exchange trading holiday, the immediately following trading day has been considered. Where the 30th day / 90th day / 180th of a particular year falls on the day when there is no trade in equity share of the Company, preceding trading day has been considered. The Designated Exchange for the Issue has been considered for the closing price, Benchmark index and other details. We have taken the Issue price to calculate the % change in closing price as on 30th, 90th and 180th day.

**Summary statement of Disclosure:**

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount - 30th calendar day from listing day			Nos. of IPOs trading at premium - 30th calendar day from listing day			Nos. of IPOs trading at discount - 180th calendar day from listing day			Nos. of IPOs trading at premium - 180th calendar day from listing day		
			Over	Between	Less	Over	Between	Less	Over	Between	Less than	Over	Between	Less

			50%	25-50%	than 25%	50%	25-50%	than 25%	50%	25-50%	25%	50%	25-50%	than 25%
2018-19	7	184.53	1	NA	1	1	NA	4	1	NA	2	NA	1	1
2017-18	12	149.38	NA	NA	NA	2	1	9	NA	1	3	4	NA	4
2016-17	9	93.71	NA	NA	1	NA	2	6	NA	NA	1	4	3	1

**Note:**

Based on date of listing.

BSE SENSEX and 50 NIFTY has been considered as the benchmark index.

Prices on BSE/NSE are considered for all of the above calculations.

In case 30th /90th /180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered. In case 30th /90th /180th day, scripts are not traded then last trading price has been considered. N.A. – Period not completed.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the Lead Manager. Hence, disclosures pertaining to recent 10 issues handled by Lead Manager are provided.

**Track Record of past issues handled by Guinness Corporate Advisors Private Limited**

For details regarding track record of the Lead Manager to the Offer as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the Lead Manager at: [www.guinnessonline.net](http://www.guinnessonline.net)

**PROMISE VIS-A-VIS PERFORMANCE**

Since, neither our Company nor our Promoters' Group Companies/Entities have made any previous rights or public issues during last five years, Promise vis-a-vis Performance is not applicable.

**STOCK MARKET DATA FOR OUR EQUITY SHARES**

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

**MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

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

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities), as the case may be, where the Bid cum Application Form was submitted by the ASBA Bidder, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount blocked on application and designated branch or the collection centre of the SCSBs or the member of the Syndicate (in Specified Cities), as the case may be, where the Bid cum Application Form was submitted by the ASBA Bidder.

**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 (in case of ASBA Bidders) or for redressal of routine investor grievances including through SEBI Complaint Redress System (SCORES) shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted Stakeholders Relationship Committee comprising of Mr. Nivesh Khanna – Chairman, Mr. Jayant Mankad – Member and Mr. Anand Bakshi – Member.



Our Company has appointed Mr. Rahul Makwana as the Company Secretary and Compliance Officer who may be contacted in case of any pre-issue or post-issue related problems at the following address:

**Anand Rayons Limited**

305-306, Jay Sagar Complex Opp.

Sub Jail, Khatodra Surat Gujarat-395002.

**Tel:** 0261-2635521

**Email:** anandrayonsltd@gmail.com

**Website:** www.anandrayons.com

Till date of this Draft Prospectus, our Company has not received any investor complaint and no complaints is pending for resolution.

**COMMISSION PAYABLE TO SCSBS**

The brokerage and selling commission payable to SCSBs for the ASBA Application Forms procured by them would be at par as payable to brokers for the Application forms procured by them.

SCSBs will be entitled to a processing fee of ₹ 10/- per Application Form for processing of the Application Forms procured by other Application Collecting Intermediary and submitted to them on successful allotment.

Selling commission payable to Registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Applicants and Non Institutional Applicants, would be 0.05% on the Amount Allotted (Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price).

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

## **SECTION VIII - ISSUE RELATED INFORMATION**

### **TERMS OF THE ISSUE**

The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2018, our Memorandum and Articles of Association, the terms of this Draft Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the applicants have to compulsorily apply through the ASBA Process.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

#### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act 2013, our Memorandum and Articles of Association shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see the section titled "Main Provisions of the Articles of Association of our Company" beginning on page no.164 of this Draft Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act and recommended by the Board of Directors and approved by the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividend, if declared, to our Shareholders as per the provisions of the Companies Act and our Articles of Association.

#### **Face Value and Issue Price**

The face value of the Equity Shares is ₹ 10 each and the Issue Price is ₹ 27 per Equity Share.

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled "Basis for Issue Price" beginning on page no.49 of the Draft Prospectus. 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 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

#### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

Right to receive dividend, if declared;

Right to receive Annual Reports and notices to members;

Right to attend general meetings and exercise voting rights, unless prohibited by law;

Right to vote on a poll either in person or by proxy;

Right to receive offer for rights shares and be allotted bonus shares, if announced;

Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;

Right of free transferability subject to applicable law, including any RBI rules and regulations; and such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, the terms of the SEBI Listing Regulations, and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled “Main Provisions of Articles of Association” beginning on page no. 164 of the Draft Prospectus.

### **Minimum Application Value; Market Lot and Trading Lot**

In terms of Section 29 of the Companies Act 2013, the Equity Shares shall be Allotted only in dematerialised form. As per the existing SEBI ICDR Regulations, 2018 the trading of the Equity Shares shall only be in dematerialised form for all investors.

The trading of the Equity Shares will happen in the minimum contract size of 4,000 Equity Shares and the same may be modified by BSE SME Exchange from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Offer will be done in multiples of 4,000 Equity Share subject to a minimum allotment of 4,000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of 4,000 Equity Share subject to a minimum allotment of 4,000 Equity Shares to the successful applicants.

### **Minimum Number of Allottees**

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and all the monies blocked by the SCSBs shall be unblocked within 6 Working days of closure of issue.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai.

### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### **Nomination Facility to Investor**

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 (3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- (a) to register himself or herself as the holder of the Equity Shares; or
- (b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

## **Period of Operation of Subscription List of Public Issue**

ISSUE OPENS ON [•]  
ISSUE CLOSES ON [•]

### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

If our Company does not receive the 100% subscription of the offer through the Offer Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days, after our Company becomes liable to pay the amount, our Company shall pay interest as prescribed under Section 40 of the Companies Act, 2013.

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCsBs shall be unblocked within 6 working days of closure of issue.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### **Arrangements for Disposal of Odd Lots**

The trading of the equity shares will happen in the minimum contract size of 4,000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the BSE SME Platform.

### **Application by Eligible NRIs, FIIs registered with SEBI, VCFs registered with SEBI and QFIs**

It is to be understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

### **As per the extant policy of the Government of India, OCBs cannot participate in this Issue.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for lock-in of the pre-Issue Equity Shares and Promoters' minimum contribution in the Issue as detailed in the chapter "Capital Structure" beginning on page no. 31 of the Draft Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details please refer to the section titled "Main Provisions of the Articles of Association" beginning on page no. 164 of the Draft Prospectus.

### **Option to receive Equity Shares in Dematerialized Form**

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. Applicants will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

**Migration to Main Board**

Our Company may migrate to the main board of BSE Main Board from the BSE SME Platform on a later date subject to the following:

If the Paid up Capital of the company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

If the Paid up Capital of the company is more than ₹ 10 crores but below ₹ 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

**Market Making**

The shares offered through this issue are proposed to be listed on the BSE SME Platform, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the BSE SME Platform for a minimum period of three years from the date of listing of shares offered through this Draft Prospectus. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please see “General Information – Details of the Market Making Arrangements for this Issue” beginning on page no. 28 of the Draft Prospectus.

**New Financial Instruments**

The Issuer Company is not issuing any new financial instruments through this Issue.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is more than ten crore and upto twenty five crore rupee, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME platform of BSE). For further details regarding the salient features and terms of such an issue please refer chapter titled "Terms of the Issue" and "Issue Procedure" on page nos. 128 and 134 respectively of this Draft Prospectus.

Public issue of 46,88,000 equity shares of face value of ₹ 10 each for cash at a price of ₹ 27 per equity share including a share premium of ₹ 17 per equity share (the "issue price") aggregating to ₹ 1265.76 lacs ("the issue") by our company.

Particulars	Net Issue to Public	Market Maker reservation portion
Number of Equity Shares*	44,48,000 Equity Shares	2,40,000 Equity Shares
Percentage of Issue Size available for allocation	94.88 % of the Issue Size 29.68 % of the Post Issue Paid up Capital	5.12 % of the Issue Size 1.60% of the Post Issue Paid up Capital
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate subject to minimum allotment of 4,000 Equity Shares and Further allotment in multiples of 4,000 Equity Shares each. For further details please refer to the section titled "Issue Procedure–Basis of Allotment" on page no. 158 of this Draft Prospectus.	Firm Allotment
Mode of Application	All the Applicants shall make the Application (Online or Physical) through ASBA Process Only.	Through ASBA mode Only.
Minimum Application Size	For QIB and NII: Such number of Equity Shares in multiples of 4,000 Equity Shares such that the Application Value exceeds ₹ 2,00,000 For Retail Individuals: 4,000 Equity Shares.	2,40,000 Equity Shares
Maximum Bid	For QIB and NII: Such number of Equity Shares in multiples of 4,000 Equity Shares such that the Application Size does not exceed 44,48,000 Equity Shares subject to adhere under the relevant laws and regulations as applicable. For Retail Individuals: 4,000 Equity Shares so that the Application Value does not exceed ₹ 2,00,000	2,40,000 Equity Shares
Mode of Allotment	Compulsorily in dematerialized mode	Compulsorily in dematerialized mode
Trading Lot	4,000 Equity Shares	4,000 Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
Terms of payment	Entire Application Amount shall be payable at the time of submission of Application Form.	

\* 50 % of the shares offered in the Net Issue to Public portion are reserved for applications whose value is below ₹ 2,00,000 and the balance 50 % of the shares are available for applications whose value is above ₹ 2,00,000.

### Withdrawal of the Issue

In accordance with the SEBI ICDR Regulations, our Company, in consultation with Lead Manager, reserves the right not to proceed with this Issue at any time after the Issue Opening Date, but before our Board meeting for

Allotment, without assigning reasons thereof. If our Company withdraws the Issue after the Issue Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-Issue advertisements were published.

Further, the Stock Exchanges shall be informed promptly in this regard and the Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification. In case our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, Non retail Applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities at Surat.

### **Issue Programme**

ISSUE OPENS ON	•
ISSUE CLOSES ON	•

Applications and any revisions to the same (except that on the Issue closing date) 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. On the Issue Closing Date applications and any revisions to the same will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

## ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issue, prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the “General Information Documents”) and including SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, and SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 to be included in the prospectus under “Part B – General Information Document” of this section, highlighting the key rules, procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI Regulations.

*All Designated Intermediaries in relation to the Issue should ensure compliance with SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, as amended and modified by SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and subsequently by SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles.* The General Information Documents to be included will be updated to reflect the enactments and regulations including the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document will also be available on the websites of the Stock Exchange and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Lead Manager would not be able for any amendment, modification or change in applicable law, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

*Pursuant to the SEBI ICDR Regulations, the ASBA process is mandatory for all investors excluding Anchor Investors and it allows the registrar, share transfer agents, depository participants and stock brokers to accept Application forms. All Applicants shall ensure that the ASBA Account has sufficient credit balance such that the full Application Amount can be blocked by the SCSB at the time of submitting the Application. Applicants applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs.*

*ASBA Applicants are required to submit ASBA Applications to the selected branches / offices of the RTAs, DPs, Designated Bank Branches of SCSBs. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link. The list of Stock Brokers, Depository Participants (“DP”), Registrar to an Issue and Share Transfer Agent (“RTA”) that have been notified by BSE to act as intermediaries for submitting Application Forms are provided on <http://www.bseindia.com>. For details on their designated branches for submitting Application Forms, please refer the above mentioned BSE website.*

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) price discovery and allocation; (iii) payment Instructions for ASBA Bidders; (iv) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (v) price discovery and allocation; (vi) general instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; and (xii) mode of making refunds. Our Company and the LMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this 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.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.

### **Fixed Price Issue Procedure**

The Issue is being made under Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 through a Fixed Price Process, wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including corporate bodies or institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. However, the Application by an Applicant should not exceed the investment limits prescribed under the relevant regulations/statutory guidelines.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the LM and the BSE SME Applicants are required to submit their Applications to the Application collecting intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, the Company would have a right to reject the Applications only on technical grounds.

**Investors should note that Equity Shares will be allotted to successful Applicants in dematerialize form only. The Equity Shares on Allotment shall be traded only in the dematerialize segment of the BSE SME, as mandated by SEBI.**

Investors should note that the Equity Shares will be allotted to all successful Applicants only in dematerialized form. **The Application Forms which do not have the details of the Applicant's depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected.** In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. 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 BSE SME. Applicants will not have the option of being allotted Equity Shares in physical form. However, the Investors may get the Equity Shares rematerialized subsequent to the Allotment

### **Phased implementation of Unified Payments Interface (UPI)**

SEBI has issued a circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the circular, Unified Payments Interface will be introduced in a phased manner as a payment mechanism in addition to ASBA for applications by Retail Individual Bidders through intermediaries. Phase I of this mechanism will be applicable from January 1, 2019.

### **Availability of Prospectus and Application Forms**

The Memorandum containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the Lead Manager to the Issue, Registrar to the Issue as mentioned in the Application form. The application forms may

also be downloaded from the website of BSE SME i.e. www.bsesme.com, the Registered Brokers, the RTAs and the CDPs at least one (1) day prior to the Issue Opening Date.

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking of funds that are available in the bank account specified in the Application Form used by ASBA applicants. Upon completing and submitting the Application Form for Applicants to the SCSB, the Applicant is deemed to have authorized our Company to make the necessary changes in the Prospectus and the ASBA as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Applicant. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation basis	Blue

*\*Excluding electronic Application Form*

Designated Intermediaries shall submit Application Forms to SCSBs only.

**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.**

#### **Submission and Acceptance of Application Forms**

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries

- I. An SCSB, with whom the bank account to be blocked, is maintained
- II. A syndicate member (or sub-syndicate member)
- III. A stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
- IV. A depository participant ('DP') (Whose name is mentioned on the website of the stock exchange as eligible for this activity)
- V. A registrar to an issuer and share transfer agent ('RTA') (Whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For Applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchanges(s) and may by blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For Applications submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Application are deemed to have authorised our Company to make the necessary changes in the prospectus, without prior or subsequent notice of such changes to the Applicants.

#### **Who can apply?**

- a.) Indian nationals resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b.) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs would be considered at par with those from individuals;
- c.) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d.) Mutual Funds registered with SEBI;
- e.) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- f.) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g.) FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- h.) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i.) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant's category;
- j.) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k.) Foreign Venture Capital Investors registered with the SEBI;
- l.) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m.) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n.) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o.) Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p.) Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q.) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r.) Insurance funds set up and managed by army, navy or air force of the Union of India;
- s.) Multilateral and bilateral development financial institution;
- t.) Eligible QFIs;
- u.) Insurance funds set up and managed by army, navy or air force of the Union of India;
- v.) Insurance funds set up and managed by the Department of Posts, India;
- w.) Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

#### **Applications not to be made by:**

1. Minors (except under guardianship)
2. Partnership firms or their nominees
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

**As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as**

**incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.**

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### **Participation by associates/affiliates of Lead Manager**

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the LM, shall be treated equally for the purpose of allocation to be made on a proportionate basis

#### **Option to Subscribe to the Issue**

1. Our Company shall allot the specified securities in dematerialised form only. Investors opting for allotment in dematerialised form may get the specified securities rematerialised subsequent to allotment.
2. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.
3. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

#### **Application by Indian Public including eligible NRIs applying on Non-Repatriation**

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors, Foreign Nationals, Non Residents (except for those applying on non-repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families. In case of HUF's application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

#### **Application by Mutual Funds**

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

#### **Applications by Eligible NRIs/FII's on Repatriation Basis**

Application Forms have been made available for Eligible NRIs at the Company's Registered Office and at the office of Lead Manager to the Issue. Eligible NRIs may obtain copies of Application Form from the Designated

Intermediaries. Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) ASBA Accounts, and eligible NRI Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (“NRO”) accounts for the full Application Amount, at the time of the submission of the Application Form.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Pursuant to the provisions of the FEMA regulations, investments by NRIs under the Portfolio Investment Scheme (“PIS”) is subject to certain limits, i.e., 10.00% of the paid-up equity share capital of the company. Such limit for NRI investment under the PIS route can be increased by passing a board resolution, followed by a special resolution by the shareholders, subject to prior intimation to the RBI. Our Company has not passed any resolution to increase this limit and hence investments by NRIs under the PIS will be subject to a limit of 10% of the paid-up equity capital of the Company. Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and should not use the form meant for the reserved category.

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. Companies are required to file declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis.

Allotment of Equity Shares to Non Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's, FII's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

**As per the current regulations, the following restrictions are applicable for investments by FPIs:**

**1.** Foreign portfolio investor shall invest only in the following securities, namely-

- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India;
- (b) Units of schemes floated by domestic mutual funds, whether listed on a recognized stock exchange or not;
- (c) Units of schemes floated by a collective investment scheme;
- (d) Derivatives traded on a recognized stock exchange;
- (e) Treasury bills and dated government securities;
- (f) Commercial papers issued by an Indian company;
- (g) Rupee denominated credit enhanced bonds;
- (h) Security receipts issued by asset reconstruction companies;
- (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time;
- (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where ‘infrastructure’ is defined in terms of the extant External Commercial Borrowings (ECB) guidelines;
- (k) Non-convertible debentures or bonds issued by Non-Banking Financial Companies categorized as ‘Infrastructure Finance Companies’ (IFCs) by the Reserve Bank of India;

- (l) Rupee denominated bonds or units issued by infrastructure debt funds;
  - (m) Indian depository receipts; and
  - (n) Such other instruments specified by the Board from time to time.
2. Where a foreign institutional investor or a sub account, prior to commencement of these regulations, holds equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after initial public offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment for the time being in force.
3. In respect of investments in the secondary market, the following additional conditions shall apply:
- (a). A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
  - (b). Nothing contained in clause (a) shall apply to:
    - i. Any transactions in derivatives on a recognized stock exchange;
    - ii. Short selling transactions in accordance with the framework specified by the Board;
    - iii. Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    - iv. Any other transaction specified by the Board.
  - (c). No transaction on the stock exchange shall be carried forward;
  - (d). The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board; provided nothing contained in this clause shall apply to:
    - i. transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
    - ii. sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - iii. sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;
    - iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy-back of securities) Regulations, 2018;
    - v. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines for Disinvestment of Shares by Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
    - vi. Any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
    - vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    - viii. Any other transaction specified by the Board.
  - (e). A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form: Provided that any shares held in non-dematerialized form, before the commencement of these regulations, can be held in non-dematerialized form, if such shares cannot be dematerialized.

Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.

4. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.

5. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.

6. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.

No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:

(a). Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority;

(b). Such offshore derivative instruments are issued after compliance with 'know your client' norms:

Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal in offshore derivatives instruments directly or indirectly:

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

7. A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.

8. Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

9. Any offshore derivative instruments issued under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be deemed to have been issued under the corresponding provisions of SEBI (Foreign Portfolio Investors) Regulations, 2014.

10. A FII or its subaccount which holds a valid certificate of registration shall, subject to payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

11. A qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provisions of the SEBI (Foreign Portfolio Investors) Regulations, 2014, for a period of one year from the date of commencement of the aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of SEBI FPI Regulations, an FPI, other than Category III Foreign Portfolio Investors and unregulated broad based funds, which are classified as Category II Foreign Portfolio Investors by virtue of their investment

manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying security) directly or indirectly, only if (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. Further, pursuant to a circular dated November 24, 2014 issued by SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility conditions set forth in Regulation 4 of SEBI FPI Regulations; and (ii) do not have "opaque structures", as defined under SEBI FPI Regulations.

In case of Applications made by FPIs, a verified true copy of the certificate of registration issued under SEBI FPI Regulations is required to be attached along with the Application form, failing which our Company reserves the right to reject any application without assigning any reason. An FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Applications made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason.

**As per the current regulations, the following restrictions are applicable for investments by FIIs:**

In terms of SEBI FPI Regulations, an FII which holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three (3) years for which fees have been paid as per SEBI FPI Regulations. Accordingly, such FIIs can participate in this Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under SEBI FPI Regulations. However, existing FIIs and their sub accounts may continue to buy, sell or deal in securities till the expiry of their existing SEBI registration. Further, a QFI who had not obtained a certificate of registration as an FPI could only continue to buy, sell or otherwise deal in securities until January 6, 2015. Hence, such QFIs who have not registered as FPIs under SEBI FPI Regulations shall not be eligible to participate in this Issue.

The issue of Equity Shares to a single FII should not exceed 10% of our post Issue Paid up Capital of the Company. In respect of an FII investing in Equity Shares of our Company on behalf of its sub accounts, the investment on behalf of each sub account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub account is a foreign corporate or an individual.

In accordance with the foreign investment limits, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its board of Directors followed by the special resolution to that effect by its shareholders in their General Meeting. As on the date of filing the Draft Prospectus, no such resolution has been recommended to the shareholders of the Company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII may issue, deal or hold, off shore derivative instruments such as participatory notes, equity linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "Know Your Client" requirements. An FII shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

In case of FII's in NRI/FII Portion, number of Equity Shares applied shall not exceed issue size.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of offshore derivative instruments ("ODIs"). Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments held in the underlying company.



FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the GoI from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. FPIs are required to apply through the ASBA process to participate in the Issue.

The Registrar shall use Permanent Account Number (PAN) issued by Income Tax Department of India for checking compliance for a single foreign portfolio investor; and obtain validation from Depositories for the FPIs to ensure there is no breach of investment limit.

### **Application by SEBI registered Alternative Investment Fund (AIF), Venture Capital Funds and Foreign Venture Capital Investors**

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors:

Accordingly, the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer.

The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A Venture capital fund registered as a category I AIF, as defined in the SEBI Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not registered as an AIF under the SEBI Regulations shall continue to be regulated by the VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of SEBI AIF Regulations.

Further, according to SEBI ICDR Regulations, the shareholding of VCFs and category I AIFs or FVCI held in a company prior to making an initial public offering would be exempt from lock-in requirements provided that such equity shares held are locked in for a period of at least one (1) year from the date of purchase by such VCF or category I AIFs or FVCI.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the LM will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency. There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

### **Applications by Limited Liability Partnerships**

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing which, the Company reserves the right to reject any application, without assigning any reason thereof.

### **Applications by Insurance Companies**

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, the Company reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (The "IRDA Investment Regulations"), are broadly set forth below:

- a) equity shares of a Company: the least of 10% of the investee Company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or

reinsurer;

- b) the entire group of the investee Company: the least of 10% of the respective fund in case of a life insurer or general insurer or reinsurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPS); and
- c) The industry sector in which the investee Company operates: the least of 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPS).

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in infrastructure and housing sectors i.e. 26th December, 2008, providing, among other things, that the exposure of an insurer to an infrastructure Company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub ceilings.

Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

#### **Application by Provident Funds / Pension Funds**

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, the Company reserves the right to reject any application, without assigning any reason thereof.

#### **Application under Power of Attorney**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FPI's, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with minimum corpus of Rs. 25 Crores (subject to applicable law) and pension funds with a minimum corpus of Rs. 25 Crores a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to applications by VCFs, FVCIs, FPIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- b) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, the Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- c) With respect to applications made by provident funds with minimum corpus of Rs. 25 Crores (subject to applicable law) and pension funds with a minimum corpus of Rs. 25 Crores, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form . Failing this, the Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

The Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form , subject to such terms and conditions that the Company and the lead manager may deem fit.

The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In

such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

**The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the 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.**

#### **Bids by banking companies**

In case of Bids made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserves the right to reject any Application by a banking company, without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

#### **Bids by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

#### **Bids by Systemically Important Non-Banking Financial Companies**

In case of Bids made by systemically important non-banking financial companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof. Systemically important non-banking financial companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

#### **Applications by OCBs**

In accordance with RBI regulations, OCBs cannot participate in this Issue.

#### **ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS**

**In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of the Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.**

Lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

#### **ASBA Process**

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the

ASBA Applicant (“ASBA Account”) is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Lead Manager.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB or Registered Brokers or Registered RTA's or DPs registered with SEBI. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

#### **Who can apply?**

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process.

#### **Mode of Payment**

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

#### **Unblocking of ASBA Account**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account as per section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

#### **Electronic Registration of Applications**

1. The Designated Intermediary will register the Applications using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where

Applications are being accepted. The Lead Manager, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary or (iv) Applications accepted and uploaded without blocking funds.

2. The Designated Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary and (iv) Applications accepted and uploaded without blocking funds. It shall be presumed that for Applications uploaded by the Designated Intermediary, the full Application Amount has been blocked.

3. In case of apparent data entry error either by the Designated Intermediary in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s).

4. The Designated Intermediary will undertake modification of selected fields in the Application details already uploaded within before 1.00 p.m. of the next Working Day from the Issue Closing Date.

5. The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available with the Designated Intermediary and their authorized agents during the Issue Period. The Designated Branches or the Agents of the Designated Intermediary can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities on a regular basis. On the Issue Closing Date, the Designated Intermediary shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Lead Manager on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.

6. At the time of registering each Application submitted by an Applicant, Designated Intermediary shall enter the following details of the investor in the on-line system, as applicable:

- Name of the Applicant;
- IPO Name;
- Application Form number;
- Investor Category;
- PAN (of First Applicant, if more than one Applicant);
- DP ID of the demat account of the Applicant;
- Client Identification Number of the demat account of the Applicant;
- Numbers of Equity Shares Applied for;
- Location of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
- Bank account number

In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic Application Form number which shall be system generated.

7. The Designated intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.

8. Such acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.

9. In case of QIB Applicants, the Lead Manager has the right to accept the Application or reject it. However, the rejection should be made at the time of receiving the Application and only after assigning a reason for such rejection in writing. In case on Non-Institutional Applicants and Retail Individual Applicants, Applications would be rejected on the technical grounds.

10. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner

warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

11. Only Applications that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. The Designated Intermediary will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the PAN, DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar will receive this data from the Stock Exchanges and will validate the electronic Application details with depository's records. In case no corresponding record is available with depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such Applications are liable to be rejected.

### **Maximum and Minimum Application Size**

The applications in this Issue, being a fixed price issue, will be categorized into two;

#### **(a) For Retail Individual Applicants**

The Application must be for a minimum of 4,000 Equity Shares so as to ensure that the Application amount payable by the Applicant does not exceed Rs. 2,00,000.

#### **(b) For Other Applicants (Non Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs. 2,00,000 and in multiples of 4,000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non Institutional Portion.

**Applicants are advised to ensure that any single Application form does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Prospectus.**

### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the BSE, along with the Lead Manager and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

### **Information for the Applicants:**

a.) The Company will file the Prospectus with the ROC at least 3 (three) days before the Issue Opening Date.

Our Company shall, after registering the Prospectus with the RoC, make a pre-Issue advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions an English daily newspaper, all editions of a Hindi daily newspaper and edition of regional newspaper where our Registered Office is situated) each with wide.

a. Copies of the Application Form and the abridged prospectus will be available at the offices of the LM, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE ([www.bseindia.com](http://www.bseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

b. Application should be submitted in the prescribed Application Form only. Application Forms submitted to the SCSBs should bear the stamp of the respective intermediary to whom the application form is submitted. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and / or the Designated Branch.

b.) The Application Form can be submitted either in physical or electronic mode, to the Application Collecting Intermediaries. Further Application Collecting Intermediary may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically

enabled mechanism for applying and blocking funds in the ASBA Account

- c.) The Lead Manager will circulate copies of the Prospectus along with the Application Form to potential investors.
- d.) Any investor, being eligible to invest in the Equity Shares offered, who would like to obtain the Prospectus and/ or the Application Form can obtain the same from the Company's Registered Office or from the Registered Office of the Lead Manager.
- e.) Applicants who are interested in subscribing to the Equity Shares should approach the Lead Manager or their authorized agent(s) to register their Applications.
- f.) Applications made in the name of Minors and/or their nominees shall not be accepted.

#### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one Gujarati newspaper with wide circulation.

#### **Signing of Underwriting Agreement**

The issue is 100% Underwritten. Our Company has entered into an Underwriting Agreement with the Lead Manager Guinness Corporate Advisors Private Limited and Basan Financial Services Limited.

#### **Filing of the Prospectus with the RoC**

The Company will file a copy of the Prospectus with the RoC in terms of Section 26 of Companies Act, 2013.

#### **Issuance of Confirmation Allocation Note ("CAN")**

- a) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Investors. Based on the physical book and at the discretion of the Company in consultation with the BRLM, selected Investors will be sent a CAN and if required, a revised CAN.
- b) In the event that the Offer Price is higher than the Investor Allocation Price: Investors will be sent a revised CAN within 1 (one) day of the Pricing Date indicating the number of Equity Shares allocated to such Investor and the pay-in date for payment of the balance amount. Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Investors.
- c) In the event the Offer Price is lower than the Investor Allocation Price: Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

#### **Designated Date and Allotment of Equity Shares**

- a) **Designated Date:** On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.
- b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated stock exchange, the Registrar shall upload on its website. On the basis of approved basis of allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.  

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been allotted Equity Shares in the Issue.
- c) The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.
- d) **Issuer will that:** (i) the allotment of the equity shares; and (ii) initiate corporate action for credit of shares to the successful applicant's Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working

Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

### **Interest and Refunds**

#### **Completion of Formalities for listing & Commencement of Trading**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instruction for credit of Equity Shares to the beneficiary account with DPs, and dispatch the allotment Advise within 6 Working Days of the Issue Closing Date.

#### **Grounds for Refund**

##### **Non Receipt of Listing Permission**

An Issuer makes an Application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Draft Prospectus. The designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permission to deal in and official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of the Prospectus.

In the event that the listing of the Equity Shares does not occur in the manner described in this Draft Prospectus, the Lead Manager and Registrar to the Issue shall intimate Public Issue bank/Bankers to the Issue and Public Issue Bank/Bankers to the Issue shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary bidders.

If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, and as disclosed in the Prospectus.

##### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per section 39 of the Companies Act, 2013, if the "Stated Minimum Amount" has not been subscribed and the sum payable on application money has to be returned within such period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not received the subscription of 100% of the Issue through this offer document including devolvement of underwriters within Sixty Days from the date of closure of the Issue, the Issuer shall Forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer become liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013)

##### **Minimum Number of Allottees**

The Issuer may ensure that the number of Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

##### **Mode of Refund**

In case of ASBA Application: Within 6 working days of the Issue Closing Date, the Registrar to the Issue may give instruction to SCSBs for unblocking the amount in ASBA Account of unsuccessful Application and also for any excess amount blocked on Application.



Mode of making refund for ASBA applicants: In case of ASBA Application, the registrar of the issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Issue.

**Interest in case of Delay in Allotment or Refund:**

The Issuer may pay interest at the Rate of 15% per annum to Applicants if the funds are not unblocked within the 6 Working days of the Issue Closing Date.

**Issuance of Allotment Advice**

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Lead Manager or the Registrar to the Issue shall send to the Bankers to the Issue a list of their Applicants who have been allocated/Allotted Equity Shares in this Issue.
2. Pursuant to confirmation of corporate actions with respect to Allotment of Equity Shares, the Registrar to the Issue will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.
3. Approval of the Basis of Allotment by the Designated Stock Exchange. As described above shall be deemed a valid, binding and irrevocable contract for the Applicant.

**GENERAL INSTRUCTIONS**

**Do's:**

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that Applications submitted by any person resident outside India is in compliance with applicable foreign and Indian laws
- All Applicants should submit their application through ASBA process only.
- Ensure that your Application Form, bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Collection Centre within the prescribed time, except in case of electronic forms;
- Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
- If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- With respect to Applications by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Application;
- Ensure that you request for and receive a stamped acknowledgement of your Application;
- Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
- Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process;

- Submit revised Applications to the same Designated Intermediary, as applicable, through whom the original Application was placed and obtain a revised TRS;
- Except for Applications (i) on behalf of the central or state governments and the officials appointed by the courts, who, in terms of SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and (ii) Applications by persons resident in the state of Sikkim, who, in terms of SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the central or the state government and officials appointed by the courts and for Applicants residing in the state of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that thumb impressions and signatures other than in the languages specified in the eighth schedule to the Constitution of India are attested by a magistrate or a notary public or a special executive magistrate under official seal;
- Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint application, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
- Ensure that the category and sub-category under which the Application is being submitted is clearly specified in the Application Form;
- Ensure that in case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
- If you are resident outside India, ensure that Applications by you are in compliance with applicable foreign and Indian laws;
- Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form and entered into the online IPO system of the BSE SME by the relevant Designated Intermediary, match with the DP ID, Client ID and PAN available in the Depository database;
- Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online system of BSE SME by the relevant Designated Intermediary, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
- In relation to the ASBA Applications, ensure that you use the ASBA Form bearing the stamp of the relevant Designated Intermediary (in the Specified Locations) (except in case of electronic forms);
- Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
 

Ensure that while applying through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Collection Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one (1) branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>). Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgement;
- Ensure that you have mentioned the correct ASBA Account number in the Application Form;

- Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form;

**Don'ts:**

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form
- Do not apply on another Application Form after you have submitted an Application to the Bankers of the Issue.
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Selected Branches / Offices of the Banker to the Issue.
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.
- Do not submit the Application Forms with the Banker(s) to the Issue (assuming that such bank is not a SCSB), our Company, the LM or the Registrar to the Issue (assuming that the Registrar to the Issue is not one of the RTAs) or any non-SCSB bank;
- Do not apply on an Application Form that does not have the stamp of the Designated Intermediary;
- If you are a Retail Individual Applicant, do not apply for an exceeding ₹ 200,000;
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
- Do not submit the General Index Register number instead of the PAN;
- As an ASBA Applicant, do not submit the Application without ensuring that funds equivalent to the entire Application Amount are available to be blocked in the relevant ASBA Account;
- As an ASBA Applicant, do not instruct your respective banks to release the funds blocked in the ASBA Account;
- Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
- If you are a QIB, do not submit your Application after 3.00 pm on the Issue Closing Date for QIBs;
- If you are a Non-Institutional Applicant or Retail Individual Applicant, do not submit your Application after 3.00 pm on the Issue Closing Date;
- Do not submit an Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- Do not submit an Application if you are not competent to contract under the Indian Contract Act, 1872, (other than minors having valid depository accounts as per Demographic Details provided by the Depositories);
- If you are a QIB or a Non-Institutional Applicant, do not withdraw your Application or lower the size of your Application (in terms of quantity of the Equity Shares or the Application Amount) at any stage;
- Do not submit more than five (5) ASBA Forms per ASBA Account;
- Do not submit ASBA Forms at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres; and
- Do not submit ASBA Forms to a Designated Intermediary at a Collection Centre unless the SCSB where the ASBA Account is maintained, as specified in the ASBA Form, has named at least one (1) branch in the relevant Collection Centre, for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>).

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

## **Instructions for completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit application forms in public issues using the stock broker (“broker”) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of National Stock Exchange of India Limited i.e. [www.bseindia.com](http://www.bseindia.com).

## **Applicant’s Depository Account and Bank Details**

*Please note that, providing bank account details in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.*

Applicants should note that on the basis of name of the Applicants, Depository Participant’s name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as ‘Demographic Details’). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants’ sole risk and neither the Lead Manager nor the Registrar to the Issue or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

## **Payment by Stock Invest**

In terms of the Reserve Bank of India Circular No.DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

## **OTHER INSTRUCTIONS**

### **Joint Applications in the case of Individuals**

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

### **Multiple Applications**

An Applicant should submit only one Application (and not more than one). Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications are electronically strung on first name, address (1st line) and applicant’s status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband’s name to determine if they are multiple applications
- ii. Applications which do not qualify as multiple applications as per above procedure are further checked for

common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.

- iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of “know your client” norms by the depositories. The Company reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple Applications and are liable to be rejected. The Company, in consultation with the Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple Applications is given below:

1. All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
2. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

#### **Permanent Account Number or PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (“PAN”) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Applications without the PAN will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

**Our Company/ Registrar to the Issue/ Lead Manager can, however, accept the Application(s) in which PAN is wrongly entered into by ASBA SCSB’s in the ASBA system, without any fault on the part of Applicant.**

#### **RIGHT TO REJECT APPLICATIONS**

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

#### **GROUND FOR REJECTIONS**

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;

- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 4,000;
- Category not ticked;
- Multiple Applications as defined in the Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulations or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000, received after 3.00 pm on the Issue Closing Date;
- Applications not containing the details of Bank Account and/or Depositories Account.

#### **Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) a tripartite agreement dated November 06, 2018 with NSDL, our Company and Registrar to the Issue;
- b) a tripartite agreement dated December 20, 2018 with CDSL, our Company and Registrar to the Issue;  
The Company's shares bear an ISIN No: INE02GA01012
- a) An applicant applying for Equity Shares in demat form must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the application.
- b) The applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Application Form or Revision Form.
- c) Equity Shares allotted to a successful applicant will be credited in electronic form directly to the Applicant's beneficiary account (with the Depository Participant).
- d) Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- e) If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- f) The Applicant is responsible for the correctness of his or her demographic details given in the Application Form vis-à-vis those with their Depository Participant.

- g) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange platform where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- h) The trading of the Equity Shares of our Company would be only in dematerialized form.

### Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and a copy of the acknowledgement slip.

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

<p><b>To</b>  <b>Mr.Rahul Makwana</b>  Anand Rayons Limited  305-306, Jay Sagar Complex Opp.  Sub Jail, Khatodra Surat Gujarat-395002.  Tel: 0261-2635521  Email: anandrayonsltd@gmail.com  Website: www.anandrayons.com,</p>	<p><b>BIGSHARE SERVICES PRIVATE LIMITED</b>  <b>Address:</b> 1<sup>st</sup> Floor, Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai-400059  <b>Tel No:</b> +91-022-62638200  <b>Fax No:</b> +91-022-62638299  <b>SEBI Registration No:</b> INR000001385  <b>Email Id:</b> ipo@bigshareonline.com  <b>Website:</b> www.bigshareonline.com  <b>Contact Person:</b> Mr. Ashish Bhope</p>
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### Disposal of applications and application moneys and interest in case of delay

The Company shall ensure the dispatch of Allotment advise, instructions to SCSBs and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within one working day of the date of Allotment of Equity Shares.

The Company shall use best efforts that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 6 (six) working days of closure of the issue.

### IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of section 38(1) of the Companies Act, 2013 which is reproduced below:

**‘Any person who:**

**a. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or**

**b. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**

**c. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,**

**shall be liable for action under section 447 of Companies Act, 2013 and shall be treated as Fraud.**

Section 447 of the Companies Act, 2013, is reproduced as below:

“Without Prejudice to any liability including repayment of any debt under this Act or any other law for the time being in force, any person who is found to be guilty of fraud, shall be punishable with imprisonment for a term which shall not be less than six months but which may exceed to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud:

Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years.”

### **BASIS OF ALLOTMENT**

Allotment will be made in consultation with SME Platform of BSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 4,000 equity shares the allotment will be made as follows:
  - a. Each successful applicant shall be allotted 4,000 equity shares; and
  - b. The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 4,000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 4,000 equity shares subject to a minimum allotment of 4,000 equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 4,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in the Draft Prospectus.
6. Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 shall be made as follows :
  - a. A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
  - b. The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
  - c. The unsubscribed portion of the net to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

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

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled 'Basis of Allotment' beginning on page no. 158 of Draft Prospectus.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the SME Platform of BSE.

### **Basis of Allotment in the event of Under subscription**



In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size as specified in page no. 27 shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The Executive Director/Managing Director of the BSE - the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

**As per the RBI regulations, OCBs are not permitted to participate in the Issue.**

**There is no reservation for Non Residents, NRIs, FPIs and foreign venture capital funds and all Non Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **Undertaking by our Company**

Our Company undertakes the following:

1. that the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (Six) working days of closure of the Issue;
3. that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
4. that the instruction for electronic credit of Equity Shares/ refund orders/intimation about the refund to non-resident Indians shall be completed within specified time; and
5. that no further issue of Equity Shares shall be made till the Equity Shares offered through the Draft Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.
6. that Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
7. That if our Company does not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given as a public notice which will be issued by our Company within two (2) days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. BSE on which the Equity Shares are proposed to be listed shall also be informed promptly;
8. The Equity Shares proposed to be issued by it in the Issue shall be allotted and credited to the successful applicants within the specified time in accordance with the instruction of the Registrar to the Issue;
9. If the Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within fifteen (15) days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants at the rate of 15% per annum for the delayed period
10. That if our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh draft prospectus with BSE SME/ RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;
11. That the Promoters' contribution in full, if required, shall be brought in advance before the Issue opens for subscription and the balance, if any, shall be brought on a pro rata basis before the calls are made on Applicants in accordance with applicable provisions under SEBI ICDR Regulations;
12. That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
13. That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of Allotment; and
14. That it shall comply with such disclosure and account norms specified by SEBI from time to time

#### **Utilization of Issue Proceeds**

Our Board certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act; 2013
- 2) Details of all monies utilized out of the Issue shall be disclosed and continue to be disclosed till any part of the

issue proceeds remains unutilized under an appropriate separate head in the Company's balance sheet indicating the purpose for which such monies have been utilized;

- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of section SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to section 177 of the Company's Act, 2013 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue respectively.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- 6) Our Company declares that all monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act.

#### **INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND**

The Issuer shall make the Allotment within the period prescribed by SEBI. The Issuer shall pay interest at the rate of 15% per annum if Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner/instructions for unblocking of funds in the ASBA Account are not dispatched within such times as maybe specified by SEBI

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“FEMA”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India (“RBI”) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”).

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), has issued consolidated FDI Policy Circular of 2017 (“FDI Policy 2017”), which is effective from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India (“RBI”) also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated January 4, 2018 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100% foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore applicable foreign investment up to 100% is permitted in our company under automatic route.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained by the Company.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include: (i) where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that: a) the requisite approval of the Government has been obtained; and b) the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time.; (ii) where the transfer of shares attract SEBI (SAST) Regulations subject to the adherence with the pricing guidelines and documentation requirements as specified by Reserve Bank of India from time to time.; (iii) where the transfer of shares does not meet the pricing guidelines under the FEMA, 1999 provided that: a) The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, etc.), reporting requirements, documentation etc.; b) The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations/guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/substantial acquisition/SEBI SAST); and Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations/guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank and iv) where the investee company is in the financial sector provided that: a) Any ‘fit and proper/due diligence’ requirements as regards the non-resident investor as stipulated by the respective financial sector regulator, from time to time, have been complied with; and b) The FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, pricing, etc.), reporting requirements, documentation etc., are complied with. As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the

Equity Shares of Our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

## **INVESTMENT CONDITIONS/RESTRICTIONS FOR OVERSEAS ENTITIES**

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment up to aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

### **I. Investment by FPIs under Portfolio Investment Scheme (PIS):**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10 % of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24 % of paidup equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

### **II. Investment by NRI or OCI on repatriation basis:**

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as “Capital Instruments”) of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 i.e. the total holding by any individual NRI or OCI shall not exceed 5 percent of the total paid-up equity capital on a fully diluted basis or should not exceed 5 percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10 percent of the total paid-up equity capital on a fully diluted basis or shall not exceed 10 percent of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

### **III. Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in

Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the "Prospectus Directive") has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be 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 Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

**SECTION IX – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION**

**MAIN PROVISIONS OF ARTICLES OF ASSOCIATION**

Title of Article	Article Number	Content
<b>CONSTITUTION OF THE COMPANY</b>		<p>Table 'F' not to apply. The regulations contained in Table 'F' in Schedule I of the Companies Act, 2013, shall not apply to the Company on its registration, but instead thereof regulations contained in these Articles shall apply.</p> <p>IA. Assets to vest in the Company on its registration - The assets mentioned in the said Annexure- 1, hereto shall vest in the Company on its registration free from all claims by the parties hereto and pending the registration of the Company, the parties hereto shall hold the assets in trust for the Company.</p> <p>IB. Company liable for obligations of M/s. ANAND ENTERPRISE The Company shall undertake, pay, observe, satisfy, perform and fulfill the agreements and the liabilities of the parties hereto or the firm of M/s. ANAND ENTERPRISE, entered into or incurred in their separate or joint names or in the name of the firm in relation to the said business, land, buildings and assets brought in as aforesaid and shall indemnify them respectively and their respective executors, administrators, estates and effects from and against all actions, proceedings, damages, claims and demands in respect thereof.</p> <p>IC. Business deemed to be carried on Company's behalf - The business in respect of the said assets shall be deemed to have been carried on as from the date of these Articles on the Company's behalf and accordingly the parties hereto shall be allowed all payments made and expenses incurred and shall account for all moneys and other benefits received by them respectively in relation to such business as from that day.</p> <p>"public company" means a company which-</p> <p>(a) is not a private company;</p> <p>(b) has a minimum paid-up share capital of five lakh rupees or such higher paid-up capital, as may be prescribed:</p> <p>Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles.</p>
<b>INTERPRETATION CLAUSE</b>		<p>a. 'The Act' or 'The Companies Act' shall mean 'The Companies Act, 2013, its rules and any statutory modifications or reenactments thereof.' the subject or context:</p> <p>b. 'The Board' or 'The Board of Directors' means a meeting of the Directors duly called and constituted or as the case may be, the Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with these Articles.</p> <p>c. 'The Company' or 'This Company' means ANAND RAYONS LIMITED.</p>
<b>Share capital and variation of rights</b>	<b>1.</b>	<p>Subject to the provisions of the Act and these Articles, the shares in the capital of the company 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.</p>
	<b>2.</b>	<p>(i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—</p> <p>(a) one certificate for all his shares without payment of any charges; or</p> <p>(b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.</p> <p>(ii) Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two directors or by a director and the company secretary, wherever the company has appointed a company secretary:</p>

		<p>Provided that in case the company has a common seal it shall be affixed in the presence of the persons required to sign the certificate</p> <p>(iii) In respect of any 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 for a share to one of several joint holders shall be sufficient delivery to all such holders.</p>
	<b>3.</b>	<p>(i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back 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 is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.</p> <p>(ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.</p>
	<b>4.</b>	<p>Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.</p>
	<b>5.</b>	<p>(i) The company may exercise the powers of paying commissions conferred by subsection (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.</p> <p>(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.</p> <p>(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.</p>
	<b>6.</b>	<p>(i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.</p> <p>(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.</p>
	<b>7.</b>	<p>The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.</p>
	<b>8.</b>	<p>Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.</p>
Lien	<b>9.</b>	<p>(i) The company shall have a first and paramount lien—</p> <p>(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and</p> <p>(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:</p> <p>Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p> <p>(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.</p>
	<b>10.</b>	<p>The company may sell, in such manner as the Board thinks fit, any shares on which the</p>

		<p>company has a lien:          Provided that no sale shall be made—          (a) unless a sum in respect of which the lien exists is presently payable; or          (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.</p>
	11.	<p>(i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.          (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.          (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.</p>
	12.	<p>(i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.          (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.</p>
<b>Calls on shares</b>	13.	<p>(i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:          Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.          (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.          (iii) A call may be revoked or postponed at the discretion of the Board</p>
	14.	<p>A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.</p>
	15.	<p>The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.</p>
	16.	<p>(i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten percent. per annum or at such lower rate, if any, as the Board may determine.          (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.</p>
	17.	<p>(i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.          (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p>
	18.	<p>The Board—          (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and          (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.</p>
<b>Transfer of shares</b>		<p>(i) The instrument of transfer of any share in the company shall be executed by or on</p>



	19.	<p>behalf of both the transferor and transferee.</p> <p>(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.</p>
	20.	<p>The Board may, subject to the right of appeal conferred by section 58 decline to register—</p> <p>(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</p> <p>(b) any transfer of shares on which the company has a lien.</p>
	21.	<p>The Board may decline to recognise any instrument of transfer unless—</p> <p>(a) the instrument of transfer is in the form as prescribed in rules made under subsection (1) of section 56;</p> <p>(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and</p> <p>(c) the instrument of transfer is in respect of only one class of shares.</p>
	22.	<p>On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:</p> <p>Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.</p>
<b>Transmission of shares</b>	23.	<p>(i) 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 persons recognised by the company as having any title to his interest in the shares.</p> <p>(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>
	24.	<p>(i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—</p> <p>(a) to be registered himself as holder of the share; or</p> <p>(b) to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</p>
	25.	<p>(i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.</p> <p>(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p>
	26.	<p>A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:</p> <p>Provided 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, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p>
<b>Forfeiture of shares</b>		<p>If a member fails to pay any call, or instalment of a call, on the day appointed for</p>

	27.	payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
	28.	The notice aforesaid shall— (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
	29.	If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
		(i) A forfeited share may be sold or otherwise disposed off on such terms and in such manner as the Board thinks fit. (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
	31.	(i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares. (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
	32.	(i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share; (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of; (iii) The transferee shall thereupon be registered as the holder of the share; and (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
	33.	The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
<b>Alteration of capital</b>	34.	The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
	35.	Subject to the provisions of section 61, the company may, by ordinary resolution,— (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
	36.	Where shares are converted into stock,— (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances

		<p>admit:</p> <p>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.</p> <p>(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.</p> <p>(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.</p>
	37.	<p>The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—</p> <p>(a) its share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any share premium account.</p>
<b>Capitalisation of profits</b>	38.	<p>(i) The company in general meeting may, upon the recommendation of the Board, resolve—</p> <p>(a) that it is desirable to capitalise 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 (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—</p> <p>(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(B) 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;</p> <p>(C) partly in the way specified in sub-clause (A) and partly in that specified in subclause (B);</p> <p>(D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;</p> <p>(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.</p>
	39.	<p>(i) 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 capitalised thereby, and all allotments and issues of fully paid shares if any; and (b) generally do all acts and things required to give effect thereto.</p> <p>(ii) The Board shall have power—</p> <p>(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and</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 capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;</p> <p>(iii) Any agreement made under such authority shall be effective and binding on such members.</p>

<b>Buy-back of shares</b>	<b>40.</b>	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.
<b>General meetings</b>	<b>41.</b>	All general meetings other than annual general meeting shall be called extraordinary general meeting.
	<b>42.</b>	(i) The Board may, whenever it thinks fit, call an extraordinary general meeting. (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.
<b>Proceedings at general meetings</b>	<b>43.</b>	(i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
	<b>44.</b>	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
	<b>45.</b>	If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
	<b>46.</b>	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
<b>Adjournment of meeting</b>	<b>47.</b>	(i) 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. (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. (iii) 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. (iv) 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>Voting rights</b>	<b>48.</b>	Subject to any rights or restrictions for the time being attached to any class or classes of shares,— (a) on a show of hands, every member present in person shall have one vote; and (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
	<b>49.</b>	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
	<b>50.</b>	(i) 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. (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
	<b>51.</b>	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
	<b>52.</b>	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
	<b>53.</b>	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

	<b>54.</b>	(i) 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. (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.
<b>Proxy</b>	<b>55.</b>	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>56.</b>	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
	<b>57.</b>	A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.
<b>Board of Directors</b>	<b>58.</b>	The First Directors of the Company are : 1. ANAND GOKUL BAKSHI 2. GOKUL YESVANTRAI BAKSHI 3. SHILPA ANAND BAKSHI
	<b>59.</b>	(i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. (ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them— (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or (b) in connection with the business of the company.
	<b>60.</b>	The Board may pay all expenses incurred in getting up and registering the company.
	<b>61.</b>	The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
	<b>62.</b>	All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
	<b>63.</b>	Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
	<b>64.</b>	(i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles. (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.
<b>Proceedings of the Board</b>	<b>65.</b>	(i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

	<b>66.</b>	(i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
	<b>67.</b>	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
	<b>68.</b>	(i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
	<b>69.</b>	(i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit. (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
	<b>70.</b>	(i) A committee may elect a Chairperson of its meetings. (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
	<b>71.</b>	(i) A committee may meet and adjourn as it thinks fit. (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
	<b>72.</b>	All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
	<b>73.</b>	Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
<b>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</b>	<b>74.</b>	Subject to the provisions of the Act,— (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board; (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
	<b>75.</b>	A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.
<b>The Seal</b>	<b>76.</b>	(i) The Board shall provide for the safe custody of the seal. (ii) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

<b>Dividends and Reserve</b>	<b>77.</b>	The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
	<b>78.</b>	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>79.</b>	(i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit. (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
	<b>80.</b>	(i) 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. (ii) 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. (iii) 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>81.</b>	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
	<b>82.</b>	(i) 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. (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
	<b>83.</b>	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
	<b>84.</b>	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>85.</b>	No dividend shall bear interest against the company.
<b>Accounts</b>	<b>86.</b>	(i) 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. (ii) 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.
<b>Winding up</b>	<b>87.</b>	Subject to the provisions of Chapter XX of the Act and rules made thereunder— (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not. (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be

		<p>carried out as between the members or different classes of members.</p> <p>(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>
<b>Indemnity</b>	<b>88.</b>	<p>Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.</p>



## SECTION X - OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of the Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft 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 305 - 306, Jay Sagar Complex Opp. Sub Jail, Khatodra Surat Gujarat-395002, from date of filing the Draft Prospectus with ROC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

#### Material Contracts

1. Memorandum of understanding dated February 22, 2019 between our Company and the Lead Manager.
2. Agreement dated February 18, 2019 between our Company and the Registrar to the Issue.
3. Underwriting Agreement dated February 22, 2019 between our Company, Lead Manager and Underwriter.
4. Market Making Agreement dated February 22, 2019 between our Company, Lead Manager and Market Maker.
5. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated November 06, 2018.
6. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated December 20, 2018.
7. Banker's to the Issue Agreement [•] dated between our Company, the Lead Manager, Banker to the Issue and the Registrar to the Issue.

#### Material Documents

1. Certified true copy of the Memorandum and Articles of Association of our Company including certificates of incorporation.
2. Board resolution dated November 28, 2018 and special resolution passed pursuant to Section 62(1)(C) of the Companies Act, 2013 at the EGM by the shareholders of our Company held on December 13, 2018.
3. Statement of Tax Benefits dated February 14, 2019 issued by M/s. Rajendra Sharma & Co., Chartered Accountants
4. Copies of Audited Financial Statements of our Company for the period ended on September 30, 2018 years ended March 31, 2018, 2017 and 2016.
5. Copy of Restated Standalone Financial Statement from the peer review auditor certified by M/s. Rajendra Sharma & Co, Chartered Accountants, dated February 14, 2019 included in the Draft Prospectus for period ended on September 30, 2018 and Financial Year ended March 31, 2018, 2017 and 2016.
6. Copy of Certificate from the Auditor dated February 14, 2019, regarding the source and deployment of funds as on January 31, 2019.
7. Consents of Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Peer Review Auditors, Legal Advisor to the Issue, Lead Manager, Registrar to the Issue, Underwriter, Market Maker, Bankers to the Company to include their names in the Draft Prospectus to act in their respective capacities.
8. Due Diligence Certificate dated February 22, 2019 from the Lead Manager filed with BSE.
9. Copy of Board Resolution dated October 9, 2018 and Special Resolution dated October 13, 2018 for appointment and agreement for appointment dated October 14, 2018 and October 14, 2019 fixing remuneration of Mr. Anand Bakshi, Managing Director and Mrs. Shilpa Bakshi, Whole Time Director respectively.
10. Copy of Approval dated [•] from the SME Platform of BSE.

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, with the consent of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We hereby declare that all the relevant provisions of the Companies Act, 1956 / Companies Act, 2013 and the guidelines /Regulations issued by the Government of India or guidelines/ regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 1956 / Companies Act, 2013 the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Draft Prospectus are true and correct.

**Signed by the Directors of the Company:**

Name	Designation	Signature
Mr. Anand Bakshi	Managing Director	
Mrs. Shilpa Bakshi	Wholetime Director	
Mrs. Hema Mishra	Non-executive Director	
Mr. Nivesh Khanna	Independent Director	
Mr. Jayantbhai Mankad	Independent Director	

**Signed by:**

Name	Designation	Signature
Mr. Chetan Desai	Chief Financial Officer	

**Place: Surat**

**Date: February 22, 2019**