



## YUG DÉCOR LIMITED

Our Company was incorporated as Yug Adhesive Private Limited under the provision of the Companies Act, 1956 vide certificate of incorporation dated June 23, 2003 issued by the Asstt. Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Subsequently, the name of our Company was changed to Yug Décor Private Limited and a fresh certificate of incorporation dated December 7, 2004 pursuant to change of name was issued by Registrar of Companies, Gujarat. Consequent upon the conversion of our Company into public limited company, the name of our Company was changed to Yug Décor Limited and fresh certificate of incorporation dated September 14, 2016 was issued by the Deputy RoC, Registrar of Companies, RoC - Ahmedabad. The Corporate Identification Number of our Company is U24295GJ2003PLC042531.

**Registered Office:** 1011, Sakar -5, B/h. Natraj Cinema, Ashram Road, Ahmedabad- 380009  
**Tel. No.:** +91 79-26580920, 30020584, **E-mail:** [cs@vscl.co.in](mailto:cs@vscl.co.in), **Website:** [www.yugdecor.com](http://www.yugdecor.com)

**Contact Person:** Company Secretary and Compliance Officer: Mr. Dashang Manharlal Khatri; **E-Mail:** [account@yugdecor.com](mailto:account@yugdecor.com)

### PROMOTERS OF THE COMPANY: Mr. Santosh Kumar Saraswat and Mr. Chandresh Saraswat

**PUBLIC ISSUE OF 11,08,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH OF YUG DÉCOR LIMITED ("YDL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 26/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ 16/- PER EQUITY SHARE (THE "ISSUE PRICE") AGGREGATING TO ₹ 288.08 LACS ("THE ISSUE"), OF WHICH 60,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AT A PRICE OF ₹ 26 PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ 16 PER EQUITY SHARE AGGREGATING TO ₹ 15.60 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 10,48,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT A PRICE OF ₹ 26/- PER EQUITY SHARE AGGREGATING TO ₹ 272.48 LACS IS HERINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.57% AND 25.13%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

THIS ISSUE IS BEING IN TERMS OF CHAPTER XB OF THE SEBI (ICDR) REGULATIONS, 2009 AS AMENDED FROM TIME TO TIME. For further details see "Terms of the Issue" beginning on page 179 of this Draft Prospectus.

All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") as per the SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. For further details, please refer to section titled "Issue Procedure" beginning on page 186 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.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE ISSUE PRICE IS 2.6 TIMES THE FACE VALUE.

### RISK IN RELATION TO THE FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the securities of our Company. The face value of the shares is ₹ 10 per Equity Shares and the Issue price is 2.6 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 on "Basis for Issue Price" beginning on page 64 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.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 10 of this Draft Prospectus.

### ISSUER'S ABSOLUTE RESPONSIBILITY

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

### LISTING

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

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
 <p><b>GRETEX</b>  <b>GRETEX CORPORATE SERVICES PRIVATE LIMITED</b>  Office No. -13, 1st Floor, (New Bansil Building),  9-15, Homi Modi Street, Fort, Near BSE,  Mumbai - 400023  <b>Tel. No.:</b> +91 - 22 - 40025273 / 9836822199/9836821999,  <b>Fax No.:</b> +91 - 22 - 40025273  <b>SEBI Regn. No.</b> INM000012177  <b>Email:</b> <a href="mailto:info@gretexgroup.com">info@gretexgroup.com</a>  <b>Website:</b> <a href="http://www.gretexcorporate.com">www.gretexcorporate.com</a>  <b>Contact Person:</b> Mr. Tanmoy Banerjee</p>	 <p><b>SATELLITE</b>  <b>SATELLITE CORPORATE SERVICES PVT LTD</b>  B-302, Sony Apartment, Opp. St. Jude's High School,  90, Feet Road, Off Andheri Kurla Road, Jarimari,  Sakinaka, Mumbai-400072  <b>Tel:</b> +91-22- 28520461/462  <b>Fax:</b> +91-22- 28511809  <b>SEBI Registration Number:</b> INR000003639  <b>Email Id:</b> <a href="mailto:service@satellitecorporate.com">service@satellitecorporate.com</a>  <b>Website:</b> <a href="http://www.satellitecorporate.com">www.satellitecorporate.com</a>  <b>Contact Person:</b> Mr. Michael Monteiro</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

Term	Description
"YDL", "our Company", "we", "us", "our", "the Company", "the Issuer Company" or "the Issuer"	YUG DECOR LIMITED, a public limited company incorporated under the Companies Act, 1956 and having as Registered Office at 1011, Sakar - 5, B/h. Natraj Cinema, Ashram Road, Ahmedabad- 380009.
Promoters	Mr. Santosh Kumar Saraswat and Mr. Chandresh Santosh Swaraswat
Promoter Group	Companies, individuals and entities (other than companies) as defined under Regulation 2 sub-regulation (zb) of the SEBI ICDR Regulations.

### COMPANY RELATED TERMS

Term	Description
Articles / Articles of Association/AOA	Articles of Association of our Company
Auditors	The Statutory auditors of our Company, being P. D. Goinka & Co., Chartered Accountants
Peer Review Auditors	The Peer Review Auditors of our Company is M/s. P.D. Goinka & Co., Chartered Accountants
Board of Directors / Board	The Board of Directors of our Company or a committee constituted thereof
B2C	Business to Customers
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 Yug Decor Limited unless otherwise specified
Equity Shares	Equity Shares of our Company of 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.110 of this Draft Prospectus
MD	Managing Director
MOA/ Memorandum / 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 1011, Sakar - 5, B/H. Natraj Cinema, Ashram Road, Ahmedabad- 380009.
ROC / Registrar of Companies	Registrar of Companies, Gujarat, Dadra and Nagar Haveli.
WTD	Whole Time Director

### ISSUE RELATED TERMS

Terms	Description
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of our Company
Application Supported by Blocked Amount / ASBA	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.
Allotment	Issue of the Equity Shares pursuant to the Issue to the successful applicants
Allottee	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.186 of this Draft Prospectus
Bankers to our Company	Allahabad Bank Limited.
Bankers to the Issue	[•]
Draft Prospectus	The Draft Prospectus dated <b>April 12, 2017</b> issued in accordance with Section 32 of the Companies Act filed with the BSE under SEBI (ICDR) Regulations.
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 Draft Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein.
Issue Opening Date	The date on which the Issue opens for subscription.
Issue Closing date	The date on which the Issue closes for subscription.
Issue Period	The 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 11,08,000 Equity Shares of Face Value of ₹ 10 each at ₹ 26 (including premium of ₹ 16) per Equity Share aggregating to ₹ 288.08 Lacs by Yug Decor Limited
Issue Price	The price at which the Equity Shares are being issued by our Company under this Draft Prospectus being ₹ 26
LM / Lead Manager	Lead Manager to the Issue, in this case being Gretex Corporate Services 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 10,48,000 Equity Shares of ₹ 10 each at ₹ 26 per Equity Share aggregating to ₹ 272.48 Lacs by Yug Decor Limited.
Prospectus	The Prospectus, filed with the ROC containing, inter alia, the Issue opening and closing dates and other information.
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	Mutual Funds, Venture Capital Funds, or Foreign Venture Capital Investors registered with the SEBI; FIIs and their sub-accounts registered with the SEBI, other than a subaccount which is a foreign corporate or foreign

	individual; Public financial institutions as defined in Section 4A of the Companies Act; Scheduled Commercial Banks; Multilateral and Bilateral Development Financial Institutions; State Industrial Development Corporations; Insurance Companies registered with the Insurance Regulatory and Development Authority; Provident Funds with minimum corpus of Rs 2,500 Lacs; Pension Funds with minimum corpus of Rs 2,500 Lacs; National Investment Fund set up by resolution F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and Insurance Funds set up and managed by the army, navy, or air force of the Union of India. Insurance Funds set up and managed by the Department of Posts, India.
Refund Account	Account opened / to be opened with a SEBI Registered Banker to the 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 Satellite Corporate Services Private Limited.
Regulations	Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 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 X-B of the SEBI (ICDR) Regulations which was approved by SEBI as an SME Exchange on September 27, 2011.
Underwriters	Underwriters to the issue are Gretex Corporate Services Private Limited and Sherwood Securities Private Limited.
Underwriting Agreement	The Agreement entered into between the Underwriters and our Company dated <b>April 04, 2017</b>
Working Days	All days on which banks in Mumbai are open for business except Saturday, Sunday and public holiday.

#### TECHNICAL AND INDUSTRY RELATED TERMS

Term	Description
B.H.T.	Butylated Hydroxy Toluene
C.B.	Butyl Cellosolve
D.B.T.	Di Butyl Phthalate
D.B.T.L.	Di Butyl Tin Laurate
DCO	Dehydrated Castor Oil
D.E.P.	Di Ethyl Phthalate
D.M.P	Di Methyl Phthalate
D.O.P.	Di Octyl Phthalate
D.G.	Diesel Generator
HDPE	High Density Polyethylene
H2SO4	Sulphuric Acid
HP	Horse Power
I.P.A.	Iso Propyle Alcohol
Kcal	Kilo Calories
KG	Kilograms
KL	Kilo Litres

KVA	Kilo Volt Ampere
KWH	Kilo Watt Hour
LDO	Light Diesel Oil
Ltrs	Litres
MIBK	Methyl Iso Butyl Keton
M.E.G.	Mono Ethylene Glycol
M.G.O.	Magnesium Oxide
M.T.O.	Mineral Turpentine Oil
MW	Mega Watt
MTPA	Metric Tonnes Per Annum
P.P.S.	Potassium Per Sulphate
PTS Amide	Para Toluene Sulphonamide
PVA	Poly Vinyl Alcohol
QA	Quality Assurance
QC	Quality Control
R & D	Research and Development
RPM	Rotation Per Minute
TPU	Thermoplastic Poly Urathane
SBR	Styrene Butadiene Rubber
SPCB	Sodium Penta Chloro Phenate
IPTM	Tetra Iso Propyl Titanate
V.A.M.	Vinyl Acetate Monomer

#### CONVENTIONAL AND GENERAL TERMS/ ABBREVIATIONS

Term	Description
A/c	Account
Act or Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as amended from time to time
AGM	Annual General Meeting
ASBA	Application Supported by Blocked Amount
AS	Accounting Standards issued by the Institute of Chartered Accountants of India.
AY	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 Securities and Exchange Board of India (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.
FIIs	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
NTA	Net Tangible Assets
p.a.	Per annum
P/E Ratio	Price/ Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Person of Indian Origin
PLR	Prime Lending Rate
R & D	Research and Development
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SAT	Security appellate Tribunal

SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to Time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI 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, 2009, 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
U.S. GAAP	Generally accepted accounting principles in the United States of America.
VCFs	<p>Venture capital funds as defined in, and registered with SEBI under, the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended, which have been repealed by the SEBI AIF Regulations.</p> <p>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>



## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Financial Data

Unless stated otherwise, the financial data in the Draft Prospectus is derived from our audited financial statements for the period ended November 30, 2016 and financial year ended March 31, 2016, 2015, 2014, 2013, and 2012 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2009 and the Indian GAAP which are included in the Draft Prospectus, and set out in the section titled 'Financial Information' beginning on page number 128 of the Draft Prospectus. Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year are to the twelve-month period ended March 31 of that year. In the Draft Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

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

Any percentage amounts, as set forth in the sections / chapters titled 'Risk Factors', 'Business Overview' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' beginning on page numbers 10, 84 and 150 respectively, of the Draft Prospectus and elsewhere in the Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2009 and the Indian GAAP.

### Industry and Market Data

Unless stated otherwise, industry data used throughout the 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 the Draft Prospectus is reliable, it has not been independently verified.

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

### Currency and units of presentation

In the 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

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

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 10, 84 and 150 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.



## SECTION II - RISK FACTORS

An investment in equity involves a high degree of risk. Investors should carefully consider all the information in this Offer Document, including the risks and uncertainties described below, before making an investment in our equity shares. Any of the following risks as well as other risks and uncertainties discussed in this Offer Document could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or part of your investment. In addition, the risks set out in this Offer Document may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.

**The Draft Prospectus also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in the Draft Prospectus.**

### Materiality

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

- Some events may not be material individually but may be found material collectively.
- Some events may have material impact qualitatively instead of quantitatively.
- Some events may not be material at present but may be having material impact in the future.

### Note:

The risk factors are disclosed as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.

In this Offer Document, 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" and elsewhere in this Offer Document unless otherwise indicated, has been calculated on the basis of the amount disclosed in the our restated financial statements prepared in accordance with Indian GAAP.

### INTERNAL RISK FACTORS:

#### *1. Our registered office premise is on a leasehold/license basis and any termination of such lease/license and/or non-renewal could adversely affect our operations.*

Our Registered Office situated at 1011, Sakar-V, B/h. Natraj Cinema, Ashram Road, Ahmedabad-380009 is taken on lease basis from our Promoter Director Mr. Chandresh Saraswat for a period of 3 years commencing from April 1, 2016. Any termination of the lease agreement whether due to any breach of terms and conditions of Lease Agreement or non-renewal thereof, could temporarily disrupt our administrative functioning and adversely affect the business operations. For further details, please refer to chapter titled 'Business Overview' beginning on page no. 84 of the Draft Prospectus.

#### *2. Out of three manufacturing units two units are taken on Lease/Rental Basis and any termination of such lease/license and/or non-renewal could adversely affect our operations.*

At present, we have three manufacturing units for manufacturing various Water and Solvent Based Chemicals/Adhesives, Resin Solution and Rubber Adhesives, PVA Based Adhesive, PVA Based binder and Lai (Starch based solution), Paints and Finishes etc. Out of three manufacturing units, Unit No.II and Unit No.III are taken on lease basis. Any termination of the lease agreement whether due to any breach of terms and conditions of Lease Agreement or non-renewal thereof,



could temporarily disrupt our manufacturing activities and adversely affect the business operations and financial results of our Company.

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

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

Particular	Nature of cases	No of outstanding cases	Penalty Amount involved (₹ in lacs)
Litigation against Company	Sales Tax (Gujarat Commercial Tax Department)	1	5.89
Litigation by Company	Criminal Case- Section 138 of Negotiable Instrument Act, 1881	3	7.24

For further details regarding outstanding litigations by and against companies please refer the chapter "Outstanding Litigations and Material Development" on page no. 159 of this Draft Prospectus.

4. *Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities and the failure to obtain and renew them in a timely manner may adversely affect our business operations.*

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

Some of the Licenses and approvals are in the name of "Yug Decor Private Limited", the same are required to be changed in the name of "Yug Decor Limited". Company is taking necessary steps in this regards. For more information about the licenses required in our business, please refer section "Government and other statutory approvals" appearing on page no.162.

5. *The Company is dependent on few of customers and suppliers for sales and purchase from top 10 customers and suppliers. Loss of any of these large customer and supplier will significantly affect our revenues and profitability.*

Our top ten customers contributes 51.54% and 44.30% of our total sales (including trading) and our top ten supplier delivered 66.79% and 59.63% of the total raw material purchased for the period ended November 30, 2016 and for the year ended March 31, 2016 respectively. The loss of any of these large customers or suppliers will significantly affect our revenue and profitability.

6. *We have issued Equity Shares during the last one year at a price lower than the Issue Price. We have issued Equity Shares to promoter and public during the last 12 months preceding the date of this Draft Prospectus at a price lower than the Issue Price as detailed in the following table:*

Date of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue Price (₹)	Consideration	Remarks
August 5, 2016	18,00,000	10	-	-	Bonus Shares Issued in ratio of 4.5:1. (Bonus Issue of 4.5 Equity Shares for Every 1 Equity Share held).
October 5, 2016	8,61,766	10	12	Cash	Further Allotment to Promoters and other 31 shareholders.



7. *We require Consent from Gujarat Pollution Control Board (GPCB), Gandhinagar under the Water (Prevention and Control of Pollution) Act-1974 for the Discharge of Trade Effluent & Emission due to operation of Industrial plant for manufacturing process of various types of chemicals and we are subject to inspection under the GPCB.*

At present our company has received consent from Gujarat Pollution Control Board which is valid upto December 27, 2021 and is required to be renewed subject to compliance of the conditions stated in the consent letter issued by the GPCB. Inspection proceedings are undertaken by the GPCB for our manufacturing plant at regular intervals for inspection for the Discharge of Trade Effluent & Emission and consent shall be lapsed automatically at any time if the board observed not proper discharge of trade effluent from our industrial plant as per the norms of GPCB mentioned in the consent letter. If any such action taken by GPCB against our Company which will affect our operations and may adversely affects financials positions of the Company.

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

We do not have written agreements with our vendors/suppliers and operate on a purchase order system. Due to the absence of any formal contract with our vendors/suppliers, we are exposed to the risks of irregular supplies or no supplies at all and delayed supplies which would materially affect our results of operations.

In the event of any disruption in the raw materials supply or the non-availability of raw material from alternate source, the production schedule may be adversely affected impacting the sales and profitability of the Company.

9. *We do business with our customers on purchase order basis and do not have long term contracts with most of them.*

Our business is conducted on purchase order basis, depending on the requirements of the client preferences and demand. We do not have long term contracts with most of our customers and there can be no assurance that we will continue to receive repeat orders from any of them, including our longstanding customers. Further, even if we were to continue receiving orders from our clients, there can be no assurance that they will be on the same terms, and the new terms may be less favourable to us than those under the present terms.

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

The results of operations of our business are dependent on our ability to effectively manage our inventory and stocks. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and purchase new inventory accordingly. If our management has misjudged expected customer demand it could adversely impact the results by causing either a shortage of products or an accumulation of excess inventory. Further, if we fail to sell the inventory we manufacture or purchase, we may be required to write down our inventory or pay our suppliers without new purchases or create additional vendor financing, which could have an adverse impact on our income and cash flows.

11. *We may not be successful in implementing our business strategies.*

The success of our business depends substantially on our ability to implement our business strategies effectively. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted clients. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.



**12. Our clients can suspend or cancel delivery of our products at any time, without cause and with little or no notice or payment**

Our Company has not entered into any written agreement with clients. Hence, the clients can terminate the delivery at any stage. Further, events of force majeure, such as disruptions of transportation services because of weather related problems, strikes, lock outs, inadequacies in road infrastructure, government actions or other events that are beyond the control of the parties, which allow our suppliers to suspend or cancel their deliveries of bought out items could impair our ability to source our products and our ability to supply. Similarly, our clients may suspend or cancel delivery of our products during a period of force majeure. The suspension, termination or cancellation of an order by our clients would reduce our revenues and may cause us to experience higher than expected number of unassigned employees and underutilisation of resources previously dedicated to those clients, thereby reducing our profit margin. We may not be able to replace any client that elects to terminate, which may adversely affect our business and income.

**13. 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 been achieved more favorable 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. 126 of the Draft Prospectus.

**14. Our operations are subject to various health and safety laws and regulations. Our failure to comply with environmental laws and similar regulations in India, including improper handling of raw materials and finished goods, may result in significant damages and may have an adverse effect on our business, financial condition and results of operations.**

We deal in various chemicals and adhesive which are highly inflammable products, to store / use such products in the manufacturing process is highly risky. We are required to obtain and renew certain Health and Safety permits from Directorate Industrial Safety and Health, Gujarat State which stipulates certain conditions and we are required to comply with the same. Any failure in compliance of conditions stipulated while issuing licenses/permits/certificate may lead to the cancellation of such registration and due to which our manufacturing activities could be adversely affected and consequently our business, financial conditions and results of operations will be affected adversely.

Further, we are subject to various environmental laws and regulations relating to environmental protection in local areas where our factory is situated. Stricter laws and regulations, or stricter interpretation of existing laws and regulations may impose new liabilities or require additional investment in environmental protection equipment, either of which could adversely affect our business, financial condition or results of operation. Our failure to comply any of the conditions stipulated while issuing licenses/permits/certificate may lead to cancellation of such registrations which could affect our production, business, financial conditions and results of operations.

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

Our success depends heavily upon the continuing services of promoter director Mr. Santosh Kumar Saraswat, Mr. Chandresh Saraswat and Director -Ms. Ankita Saraswat, who are the natural person in control of our Company. They currently serve as Emeritus Chairman, Managing Director and Whole Time Director respectively, and their experience, strategic guidance, financial support and vision have played a key role in achieving our current market position. We would depend significantly on our Key Managerial Persons for continuing growth of our company. If our Managing Director and Executive Director 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 due to which our



business, financial condition, results of operations and prospects may be materially and adversely affected.

***16. Our Company has entered into loan agreements with banks which contain restrictive covenants.***

As on November 30, 2016, our Company has outstanding loan of ₹ 143.38 lakhs from Allahabad Bank. As per our current financing arrangements with them, we are subject to certain restrictive covenants which require us to obtain their prior consent before undertaking certain corporate actions such as further investment in subsidiary or associate concern by way of loans and advances or investment in shares. For further details on the restrictive covenants, see section titled "Financial Indebtedness" beginning on page no. 128 of the Draft Prospectus

***17. Our insurance coverage may not be adequate to protect us against certain operating hazards and this may have a material adverse effect on our business.***

We are insured for a number of the risks associated with our businesses, such as insurance cover against loss or damage by fire, explosion, burglary, theft and robbery. We believe we have got our assets and goods adequately insured; however there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time, to cover all material losses. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business and results of operations could be adversely affected.

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

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

***19. We have not entered into any technical support service contract for the maintenance and smooth functioning of our equipment's and machineries, which may affect our performance.***

Our manufacturing operations involve daily use of technical equipment's and machineries. They require periodic maintenance checks and technical support in an event of technical breakdown or malfunctioning. Our company has not entered into any technical support service contract with any competent third party. However, we have entered into an annual maintenance contract for few laboratory/ electronic equipment's. Our failure to reduce the downtime in case such events occur may adversely affect our productivity, business and financial results of operations.

***20. Volatility in the prices of raw materials, may adversely impact our total cost of goods sold and profitability of our company.***

Our Company mainly purchases raw materials from various suppliers for our manufacturing operations. We are therefore, entirely dependent on external suppliers for the raw materials which constitutes a majority of the total cost of raw materials for our manufacturing operations. The prices of raw materials largely depends on the market conditions and overall demand of it, any increase in prices of raw material is generally passed on to our customers. However, any adverse fluctuations in the price which we may not be able to pass on to our customers could have a material adverse effect on our total cost of production. Further, any material shortage or interruption in the supply or decrease in quality of these raw materials could also adversely impact our business operations.

**21. We have unsecured loans from promoters and promoter group, 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 November 30, 2016, we have unsecured loan of ₹ 3.30 lacs from promoters and promoter group 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 Auditors' Report beginning on page 128 of the Draft Prospectus.

**22. 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. 60 of the 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 this may affect our revenues and results of operations.

**23. 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.

**24. Our business depends on our manufacturing facility and any loss of or shutdown of operations of the manufacturing facility on any grounds could adversely affect our business or results of operations.**

Our manufacturing facilities are subject to operating risks, such as breakdown or failure of equipment, interruption in power supply or processes, shortage of raw materials, performance below expected levels of output or efficiency, natural disasters, obsolescence, labour disputes, strikes, lockouts, severe weather, industrial accidents, our inability to respond to technological advances and emerging industry standards and practices in the industry and the need to comply with the directives of relevant government authorities. The occurrence of any of these risks could significantly affect our operating results, and the loss or shutdown of operations at our manufacturing facility will have a material adverse effect on our business, financial condition and results of operations.

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

As per SEBI (ICDR) Regulations, 2009, as amended, appointment of monitoring agency is required only for Issue size above ₹50, 000 Lacs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, as per the Section 177 of the Companies Act, 2013 the Audit Committee of our Company would be monitoring the utilization of the Issue Proceeds.

**26. We are highly dependent on smooth supply and transportation and timely delivery of our products from our manufacturing facilities to our customers. Various uncertainties and delays or non-delivery of our products will affect our sales.**

We depend on transportation services to deliver our products from our manufacturing facilities to our customers. We rely on third parties to provide such services. Disruptions of transportation services because of weather related problems, strikes, lock-outs, inadequacies in road infrastructure



or other events could impair our procurement of raw materials and our ability to supply our products to our customers which in turn may adversely affect our business operations and our financial conditions.

**27. 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, and the future dividend policy will depend on the capital requirements and financing arrangements for the business plans, financial condition and results of operations.

**28. 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, investing activities as well as financing activities in the previous years as per the Restated Financial Statements and the same are summarized as under.

(Rs. In Lacs)

Particulars	For the period ended on November 30, 2016	For the year ended on March 31,				
		2016	2015	2014	2013	2012
Net Cash Generated from Operating Activities	12.60	141.72	(33.36)	85.14	(33.79)	37.63
Net Cash Generated From Investing Activities	(9.76)	(30.40)	(4.04)	(15.34)	(7.29)	(4.82)
Net Cash Generated from Financing Activities	20.16	(112.89)	39.47	(65.30)	39.96	(40.05)

**29. Our manufacturing activities are dependent upon availability of skilled and unskilled labour.**

Our manufacturing activities are dependent on availability of skilled and unskilled labour. Non-availability of labour at any time or any disputes with them may affect our production schedule and timely delivery of our products to customers which may adversely affect our business and result of operations.

#### 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.



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

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

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

We do not derive 100% of our revenue from our operations in India and, consequently, our performance and the quality and growth of our business are dependent on the health of the economy of India. However, the Indian economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the microfinance industry. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

**5. 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.

**6. 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.

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

Prior to this Issue, there has been no public market for our Equity Shares. Our Company and the Lead Manager have appointed Sherwood Securities Private Limited as Designated Market maker for the equity shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors,



the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments.

**8. 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, excise duties, sales tax, 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.

**9. Competition may affect market share or profitability which could have an adverse effect on our business, financial condition and revenues.**

In this digital era the competition from organized and un-organized sectors, organized sector may offer heavy discount to the big client and un-organized sector. The unorganized sector may offer Chemicals and Adhesives at very low price as their administrative cost is very less as compared to organized sector.

**10. 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 64 of this Draft Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

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

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

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

**12. 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.

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

Public companies in India, including us, may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, IFRS announced by the Ministry of Corporate Affairs, GoI (MCA), through a press note dated January 22, 2010. The MCA through a press release dated February 25, 2011, announced that it will implement the converged accounting standards in a phased manner after various issues including tax-related issues are resolved. The MCA is expected to announce the date of implementation of the converged accounting standards at a later date. Our financial condition, results of operations, cash flows or changes in shareholders equity may appear materially different under IFRS than under Indian GAAP. This may have a material adverse effect on the amount of income recognized during that period and in the corresponding period in the comparative fiscal year/period. In addition, in our transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, our transition may be hampered by increasing competition and increased costs for the relatively small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements.

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

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

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

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investor's reactions to developments in one country may have adverse effects on the market price of securities of companies situated in other countries, including India. For instance, the recent financial crisis in the United States and European countries lead to a global financial and economic crisis that adversely affected the market prices in the securities markets around the world, including Indian securities markets. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. The Indian stock exchanges have experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time,



disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

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

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures in prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. To ensure compliance with the requirements of the Companies Act, 2013, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

**17. *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 effect on our business, financial condition and results of operations***

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include:

- custom duties on imports of raw materials and components;
- central and state sales tax, value added tax and other levies; and
- Other new or special taxes and surcharges introduced on a permanent or temporary basis from time to time.

These taxes and levies affect the cost and prices of our products and therefore demand for our product. An increase in any of these taxes or levies, or the imposition of new taxes or levies in the future, may have a material adverse effect on our business, profitability and financial condition

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include:

- custom duties on imports of raw materials and components;
- central and state sales tax, value added tax and other levies; and
- Other new or special taxes and surcharges introduced on a permanent or temporary basis from time to time.

These taxes and levies affect the cost and prices of our products and therefore demand for our product. An increase in any of these taxes or levies, or the imposition of new taxes or levies in the future, may have a material adverse effect on our business, profitability and financial condition

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

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

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

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

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

While facts and other statistics in the Draft Prospectus relating to India, the Indian economy and the transformers, cables and wire industry has been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled "*Our Industry*" beginning on page 73 of the Draft Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere

**21. 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

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

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

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

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior

approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection / tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all

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

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

***25. 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

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

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



### Prominent Notes

1. This is a Public Issue of 11,08,000 Equity Shares of ₹ 10 each at a price of ₹ 26 per Equity Share aggregating ₹288.08 Lacs.
2. For information on changes in our Company's name please refer to the chapter titled "History and Certain Corporate Matters" beginning on page 107 of the Draft Prospectus.
3. Our Net Worth as per Restated Financial Statement as at November 30, 2016 and March 31, 2016 was ₹ 353.12 Lacs and ₹188.35 Lacs respectively.
4. The Net Asset Value per Equity Share as at November 30, 2016 and March 31, 2016 was ₹ 11.53 and ₹8.86 respectively.
5. Investors may contact the Lead Manager for any complaint pertaining to the Issue. All grievances relating to ASBA may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares for which the applied, Application Amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Form has been submitted by the ASBA Applicant.
6. The average cost of acquisition per Equity Share by our Promoters is set forth in the table below:

Name of the Promoters	No. of Equity Shares held	Average cost of acquisition (in ₹)
Santosh Kumar Saraswat	5,35,735	7.59
Chandresh Saraswat	7,92,051	10.17

For further details relating to the allotment of Equity Shares to our Promoter, please refer to the chapter titled "Capital Structure" beginning on page 43 of the Draft Prospectus.

7. There has been no financing arrangement whereby the Promoter Group, our Directors and their relatives have financed the purchase, by any other person, of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of the Draft Prospectus.
8. The details of transaction by our Company are disclosed under "Related Party Transactions" in "Annexure XVI" Financial Information" of our Company beginning on page 128 of this Draft Prospectus.

## SECTION III- INTRODUCTION

### SUMMARY OF OUR INDUSTRY

*The information contained in this section is derived from various government and other industry sources. Neither we nor any other person connected with the Issue has independently 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 that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information. All references to years refer to calendar years except as otherwise stated.*

#### Global Economic Overview

The global economy, after having grown by 2.6% in CY 2014 and showing signs of recovery, witnessed a slightly lower growth of 2.4% in CY 2015 amid slowdown in investments, declining oil prices, and geopolitical tensions. Growth in the emerging and developing economies slowed down from 4.2% in CY 2014 to 3.4% in CY 2015(estimated), owing to consolidation and rebalancing in China's economy and recession in Brazil and Russia. In CY2015, China grew 6.9% (compared to 7.3% in CY 2014), while the economies of Brazil and Russia registered negative growth figures of -3.8% and -3.7% respectively in CY 2015(estimated) from 0.1% and 0.7% respectively in CY2014. The growth rate in advanced economies improved to 1.8% in CY 2015(estimated) from 1.7% in CY 2014. Recovery in the euro area, which grew at 1.6% in CY 2015 compared to 0.9% in CY 2014, was offset by the shrinking economies of the United Kingdom (down to 2.3% from 3.1%) and Canada (down to 1.1% from 2.5%), even as the powerful US economy remained stable at 2.4% in CY 2014 and CY 2015. (Source: World Bank).

	CY 2013	CY 2014	CY 2015(E1)	CY 2016(E1)	CY 2017(P2)	CY 2018(P2)
	<b>2.4</b>	<b>2.6</b>	<b>2.4</b>	<b>2.4</b>	<b>2.8</b>	<b>3.0</b>
Advanced Economics	1.1	1.7	1.8	1.7	1.9	1.9
United States	1.5	2.4	2.4	1.9	2.2	2.1
Euro Area	-0.3	0.9	1.6	1.6	1.6	1.5
Japan	1.4	-0.1	0.6	0.5	0.5	0.7
Select emerging and developing economies	<b>4.7</b>	<b>4.7</b>	<b>3.4</b>	<b>3.5</b>	<b>4.4</b>	<b>4.7</b>
China	7.7	7.3	6.9	6.7	6.5	6.3
Indonesia	5.6	5.0	4.8	5.1	5.3	5.5
Brazil	3.0	0.1	-3.8	-4.0	-0.2	0.8
Russia	1.3	0.7	-3.7	-1.2	1.4	1.8
India	6.6	7.2	7.6	7.6	7.7	7.7

(Source: World Bank)

During CY 2016, sluggish growth in advanced economies, stubbornly low commodity prices, weak global trade, and diminishing capital flows has led to the World Bank reducing its global growth forecast from 2.9% to 2.4% for CY2016. Further, unfavorable demographics, lingering after-effects of the global financial crisis and low productivity weighed down some of these economies. The impact

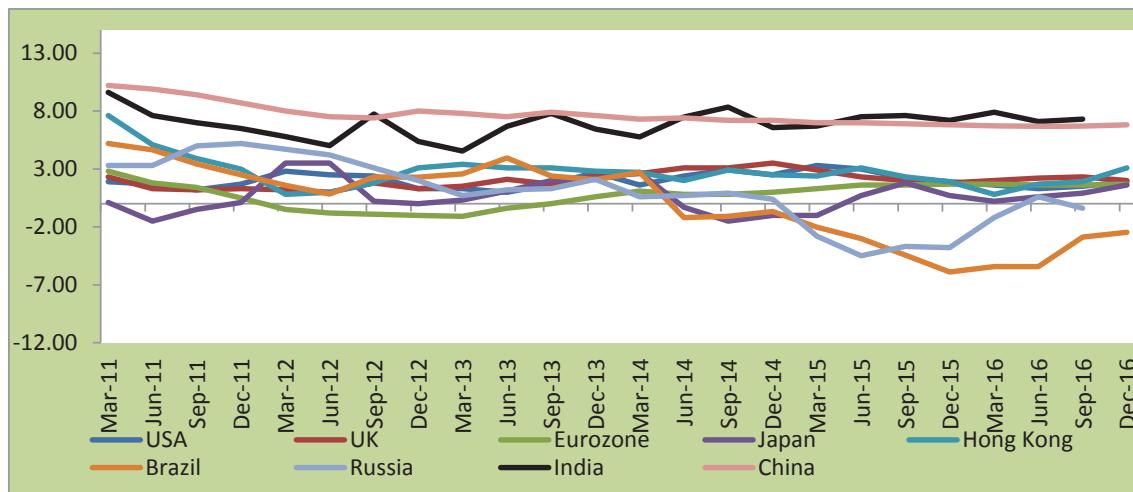
of Britain's exit from the European Union will be mostly felt in the European area with minimal impact on the global economy. Going forward, world GDP is expected to improve largely driven by the US economy and select emerging economies. (Source: CARE Report)

The services sector continued expanding at nominal rates, whereas the agriculture sector witnessed a marginal growth despite deficient rainfall. Government of India measures – thrust on 'Make in India'; improving infrastructure; commitment to fiscal targets; and focus on 'Start-up India' for boosting Indian G&J Industry entrepreneurship – are likely to create positive economic environment. Also, a forecast of above normal rainfall would drive higher growth in agriculture. With the aforesaid mentioned factors, the real GDP growth in India is expected to be 7.6% in Fiscal 2017.

(Source: RBI - Monetary Policy Report, Central Statistics Office).

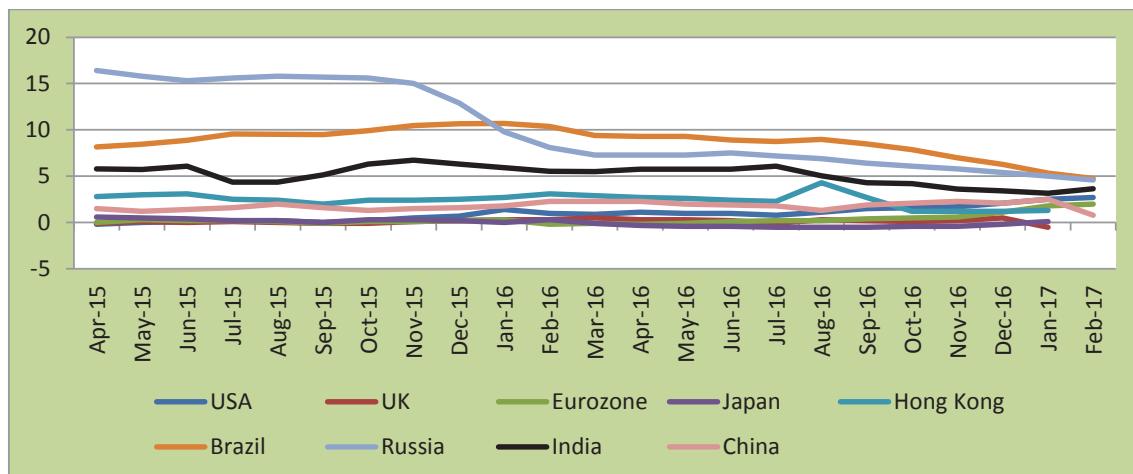
The OECD in its Interim Economic Outlook published during March 2017, projected that the Global economic growth may pick up modestly to 3.3 percent in 2017 and to 3.6 percent in 2018. However, downside risks of rising protectionism, financial vulnerabilities, volatility from divergent interest rate paths and disconnects between market valuations and real activity may spoil the outlook. OECD in the said report has observed that although confidence has improved, consumption, investment, trade and productivity are far from strong, with growth slow by past norms and higher inequality.

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



Source: Bloomberg

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



Source: Bloomberg

Real GDP growth in the first half of the year was 7.2 percent, on the weaker side of the 7.0-7.75 per cent projection in the Economic Survey 2015-16 and somewhat lower than the 7.6 percent rate recorded in the second half of 2015-16 (Figure 1a). The main problem was fixed investment, which declined sharply as stressed balance sheets in the corporate sector continued to take a toll on firms' spending plans. The major highlights of the sectoral growth outcome of the first half of 2016-17 were: (i) moderation in industrial and nongovernment service sectors; (ii) the modest pick-up in agricultural growth on the back of improved monsoon; and (iii) strong growth in public administration and defence services—dampeners on and catalysts to growth almost balancing each other and producing a real Gross Value Addition (GVA) growth (7.2 per cent), quite similar to the one (7.1 per cent) in 2015-16.

### **Introduction**

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

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

India's Consumer Confidence score in the April-June 2016 quarter declined to 128 from the high of 134 in the January-March 2016 quarter. India was ranked the highest globally in terms of consumer confidence during October-December quarter of 2015, continuing its earlier trend of being ranked the highest during first three quarters of 2015, as per the global consumer confidence index created by Nielsen.

### **Market size**

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

According to Fitch Ratings Agency, India's Gross Domestic Product (GDP) will likely grow by 7.7 per cent in FY 2016-17 and slowly accelerate to 8 per cent by FY 2018-19, driven by the gradual implementation of structural reforms, higher disposable income and improvement in economic activity.

According to Mr. Arun Singh, Indian Ambassador to the US, the Indian pharmaceutical market is expected to grow to US\$ 55 billion by 2020, thereby emerging as the sixth largest pharmaceutical market globally by absolute size.

India's foreign exchange reserves stood at US\$ 360 billion by end of March 2016, as compared with US\$ 342 billion at same time last year, according to data from the Reserve Bank of India (RBI).

According to a report by the rating agency ICRA Limited, the Indian securitisation market increased by 45 per cent year-on-year to Rs. 25,000 crore (US\$ 3.7 billion) in FY 2016, primarily due to the increased number of asset-backed securitisation (ABS) transactions.

The steps taken by the government in recent times have shown positive results as India's gross domestic product (GDP) at factor cost at constant (2011-12) prices 2014-15 is Rs. 106.4 trillion (US\$ 1.58 trillion), as against Rs. 99.21 trillion (US\$ 1.47 trillion) in 2013-14, registering a growth rate of 7.3 per cent. The economic activities which witnessed significant growth were 'financing, insurance, real estate and business services' at 11.5 per cent and 'trade, hotels, transport, communication services' at 10.7 per cent.

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

### **Recent Developments**

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

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

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

### **Government Initiatives**

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

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

- The Government of India has certified 20 private organisations as incubators under the Startup India Action Plan, which is expected to promote entrepreneurship, provide pre-incubation training and a seed fund for high growth start-ups in the country.
- The Government of India aims to improve its ease of doing business ranking from 130 at present to within the top 100 by 2016 and the top 50 by 2017, based on reforms undertaken in areas like construction permits, enforcing contracts and starting business, especially by top cities such as Mumbai and Delhi.
- The Government of India has successfully completed the double taxation avoidance agreement (DTAA) negotiations with the Government of Cyprus, which is expected to further develop the trade and economic links between the two countries.
- The Union cabinet has approved the establishment of a Fund of Funds for Startups (FFS) at Small Industries Development Bank of India (SIDBI), with a corpus of Rs 10,000 crore (US\$ 1.48 billion), which would extend funding support to start-ups and encourage entrepreneurship in the country.
- The Ministry of Commerce and Industry plans to establish India as a hub for world class designing by setting up four National Institute of Design (NIDs) across the country, aimed at providing skills to empower India's human capital towards world class designing.
- The Government of India is preparing a new National Mineral Exploration Policy (NMEP), aimed at augmenting mineral production in the country by allowing private companies, including foreign companies, to participate in mine exploration.
- The Union Cabinet has approved the introduction of several short term (within one year) and medium term measures (within two years) to be implemented by government ministries, departments and organisations for promotion of payments through cards and digital means, and to reduce cash transactions.
- Government of India has prioritised sustainability as the key aspect of India's development. To achieve this, the government aims to encourage education, skill development, digital connectivity and entrepreneurship in a sustainable manner.
- Prime Minister Mr. Narendra Modi announced at the International Monetary Fund (IMF) conference on 'Advancing Asia: Investing for the Future' in New Delhi that the government will continue to bring in new reforms for transforming economy without resorting to undervaluing its exchange rate to boost trade.
- The Government of India plans to build five new railway links with Nepal, which will boost India's economic links with its neighboring country and promote growth, employment and prosperity in the region.
- India has signed a loan agreement worth US\$ 35 million with the World Bank for Madhya Pradesh Citizen Access to Responsive Services Project which aims to improve access and quality of public services in Madhya Pradesh through implementation of the 2010 Public Service Delivery Guarantee Act.
- The Cabinet Committee of Economic Affairs (CCEA) has approved the allocation of coal linkages for non-regulated sectors such as cement, steel, sponge iron, aluminum and others, through the route of e-auction to be conducted in April 2016, which is expected to bring in transparency in allotment process and ensure all market participants have a fair opportunity to secure coal for their operations.
- Government of India plans to create a National Investment Grid to map business opportunities across the country which will make it easier for investors, especially domestic investors, to access and explore investment opportunities.
- Prime Minister, Mr. Narendra Modi, launched the Start-up India initiative and unveiled the Start-up Action Plan which includes creation of a dedicated Start-up fund worth Rs. 10,000 crore (US\$ 1.48 billion) apart from other incentives like no tax on profits for first three years and relaxed labour laws.

- British telecom giant Vodafone, India's second largest telecom operator, plans to invest over Rs. 13,000 crore (US\$ 1.93 billion) in India, to upgrade and expand its network and also for its payments bank operations.
- Chinese smartphone handset maker, Vivo, has set up an assembly unit in India at Greater Noida which will initially manufacture 150,000 smartphone units a month, to produce three smartphone models, namely Y11, Y21 and Y15S.
- Foxconn Technology group, Taiwan's electronics manufacturer, is planning to manufacture Apple iPhones in India. Besides, Foxconn aims to establish 10-12 facilities in India including data centers and factories by 2020.

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

- The Government of India has launched a digital employment exchange which will allow the industrial enterprises to find suitable workers and the job-seekers to find employment. The core purpose of the initiative is to strengthen the communication between the stakeholders and to improve the efficiencies in service delivery in the MSME ministry. According to officials at the MSME ministry over 200,000 people have so far registered on the website.
- The Ministry of Human Resource Development recently launched Kendriya Vidyalaya Sangathan's (KVS) e-initiative 'KV ShaalaDarpan' aimed at providing information about students electronically on a single platform. The program is a step towards realising Digital India and will depict good governance.
- The Government of India announced that all the major tourist spots like Sarnath, Bodhgaya and Taj Mahal will have a Wi-Fi facility as part of digital India initiative. Besides, the Government has started providing free Wi-Fi service at Varanasi ghats.

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

### Road Ahead

The International Monetary Fund (IMF) and the Moody's Investors Service have forecasted that India will witness a GDP growth rate of 7.5 per cent in 2016, due to improved investor confidence, lower food prices and better policy reforms. Besides, according to the World Bank, the Indian economy will likely grow at 7.6 per cent in 2016-17, followed by further acceleration to 7.7 per cent in 2017-18 and 7.8 per cent in 2018-19.

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

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

Exchange Rate Used: INR 1 = US\$ 0.0149 as on September 02, 2016  
<https://www.ibef.org/economy/indiasnapshot/about-india-at-a-glance>



### **GDP growth in 2017-18 is projected at 6 ¾ to 7 ½ percent Post-Demonetisation.**

**New Delhi:** The Government says that the adverse impact of demonetisation on GDP growth will be transitional. The Economic Survey 2017 presented in Parliament by the union Finance Minister, Shri. Arun Jaitley states that once the cash supply is replenished, which is likely to be achieved by end March 2017, the economy would revert to the normal. Therefore the real GDP growth in 2017-18 is projected to be in the range of 6¾-7½ percent.

The Economic Survey points out that demonetisation will have both short-term costs and long-term benefits as detailed in the attached table. Briefly, the costs include a contraction in cash money supply and subsequent, albeit temporary, slowdown in GDP growth; and benefits include increased digitalization, greater tax compliance and a reduction in real estate prices, which could increase long-run tax revenue collections and GDP growth.

On the benefits side, early evidence suggests that digitalization has increased since demonetisation. On the cost side, effective cash in circulation fell sharply although by much less than commonly believed – a peak of 35 percent in December, rather than 62 percent in November since many of the old high denomination notes continued to be used for transactions in the weeks after 8th November. Additionally, remonetisation will ensure that the cash squeeze is eliminated by April 2017. The cash squeeze in the meantime will have significant implications for GDP, reducing 2016-17 growth by ¼ to ½ percentage points compared to the baseline of 7 percent. Recorded GDP will understate impact on informal sector because, for example, informal manufacturing is estimated using formal sector indicators (Index of Industrial Production). These contractionary effects will dissipate by year-end when currency in circulation should once again be in line with estimated demand, which would also allow growth to converge to a trend by FY 2017-18.

The Economic Survey states that the weighted average price of real estate in eight major cities which was already on a declining trend fell further after November 8, 2016 with the announcement of demonetization. It goes on to add that an equilibrium reduction in real estate prices is desirable as it will lead to affordable housing for the middle class and facilitate labour mobility across India currently impeded by high and unaffordable rents.

The Survey suggests a few measures to maximize long-term benefits and minimize short-term costs. One, fast remonetisation and especially, free convertibility of cash to deposits including through early elimination of withdrawal limits. This would reduce the GDP growth deceleration and cash hoarding. Two, continued impetus to digitalization while ensuring that this transition is gradual, inclusive, based on incentives rather than controls and appropriately balancing the costs and benefits of cash versus digitalization. Three, following up demonetisation by bringing land and real estate into the GST. Four, reducing tax rates and stamp duties. And finally, an improved tax system could promote greater income declaration and dispel fears of over-zealous tax administration.



## SUMMARY OF BUSINESS OVERVIEW

Our Company was incorporated as Yug Adhesive Private Limited under the provision of the Companies Act, 1956 vide certificate of incorporation dated June 23, 2003 issued by the Asstt. Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Later on, the name of company was changed to Yug Décor Private Limited and fresh certificate of incorporation dated December 7, 2004 was issued by the Registrar of Companies, Gujarat. Consequent upon the conversion of our Company into public limited company, the name of our Company was changed to Yug Decor Limited and fresh certificate of incorporation dated September 14, 2016 was issued by the Deputy ROC, Registrar of Companies, Ahmedabad Gujarat. The Corporate Identification Number of our Company is U24295GJ2003PLC042531.

Our Company was incorporated in the year 2003, initially for a period of 3 years; our Company was engaged in mere trading of Laminates and plywood. In the year 2006, our Company had buy out manufacturing Unit (Unit I) of Water Based Adhesive and also commence the activity of and Rubber Solution/Adhesive i.e. PVA Based Adhesive, PVA Based Binder, Resin Solution and Rubber Adhesives for wood and footwear industry at Santej and due to which top line of our company was increased to the level of ₹391.69 Lacs and our PBDT was more than doubled to ₹6.56 Lacs and net profit after tax has increased to ₹1.50 Lacs i.e. by 73.2%.

During the span of 2007-2010, additional Equity Share capital of ₹46.78 Lacs was pumped in the company and started concentrating mainly on manufacturing business activities and slowing down to trading business with a vision to concentrate more on manufacturing and marketing of adhesive and rubber based products and strengthening on its own brand. Turnover of manufacturing business increased to ₹724.48 Lacs from ₹80.73 Lacs in the year 2007-2010. The Company expanded its dealer network and augmenting relationships across channels besides launching value added products.

In the year 2010, our company has acquired the factory premises namely Manufacturing Unit II on lease basis situated at Plot No: 734/3, Opp. Nilkanth Hotel, Rakanpur, Tal: Kalol, Dist: Gandhinagar to segregate the manufacture of Rubber Solution/ Adhesive activities from the Unit I. Our company has also started export sales of PVA Based Adhesive to Ethiopia (INR 5.01 Lacs).

During the year 2013-16 new products were added to the basket of manufacturing activity i.e. Lai (Starch Based Solution), Surface Coating: Melamyne and Magic Touch, Paints: Distemper, Cement Primer/Wall Primer, Emulsion, Enamel including Automotive Paints. After having strong foothold in the manufacturing of various water and solvent based chemicals/adhesives, In the year 2016, our company has acquired factory premises namely Manufacturing Unit III on lease basis situated at Plot No: 734/7, Opp. Nilkanth Hotel, Rakanpur, Tal: Kalol, Dist: Gandhinagar to undertake the manufacturing activities of paints and finishes.

The company has received the amended consolidated consent from GPCB vide amended order no. AWH-84044 dated January 27, 2017 for manufacturing of PVA Based Adhesive, PVA Based binder and Lai (Starch based solution) upto total quantity of 50MT/Month, 10MT/Month and 90MT/Month respectively which is valid upto December 27, 2021.

Our Company has shown robust growth during the last five financial years. The breakup of manufacturing, and Export Incentive/Services income, Other Income and the improvement in top line and bottom line is explained below:



(₹in Lacs)

Particulars	FY 2015-16	FY 2014-15	FY 2013-14	FY 2012-13	FY 2011-12
<b>Revenue from operations</b>					
Manufacturing	1475.44	1,513.92	1,311.08	1,254.34	1,208.34
Trading	288.52	119.51	120.87	120.66	73.01
Export Incentive/Services	3.55	33.53	52.12	41.22	23.09
<b>Total</b>	<b>1767.51</b>	<b>1666.96</b>	<b>1484.07</b>	<b>1416.22</b>	<b>1304.44</b>
Other Income	0.35	1.84	2.81	4.36	0.61
<b>Total Revenue</b>	<b>1,767.86</b>	<b>1,668.80</b>	<b>1,486.88</b>	<b>1,420.58</b>	<b>1,305.05</b>
<b>Profit Before Tax</b>	<b>12.65</b>	<b>8.53</b>	<b>6.41</b>	<b>6.17</b>	<b>5.03</b>



## SUMMARY OF FINANCIAL INFORMATION

### Restated standalone Summary Statement of Assets and Liabilities

₹ in Lacs

	Particulars	As at					
		30th November, 2016	31st March, 2016	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012
(1)	<b>Equity &amp; Liabilities</b>						
	(a) Shareholders' Funds	306.18	32.50	30.00	27.28	23.09	18.69
	(b) Reserves & surplus						
	Securities Premium Account	17.24	119.73	108.22	97.34	80.58	62.98
	Net Surplus/ (Deficit) in the statement of profit and loss	29.70	36.12	26.04	21.01	16.95	12.90
		<b>46.94</b>	<b>155.85</b>	<b>134.26</b>	<b>118.35</b>	<b>97.53</b>	<b>75.88</b>
	<b>Sub Total.....(1)</b>	<b>353.12</b>	<b>188.35</b>	<b>164.26</b>	<b>145.63</b>	<b>120.62</b>	<b>94.57</b>
(2)	<b>Share Application Money.....(2)</b>					<b>0.70</b>	
(3)	<b>Non-Current Liabilities</b>						
	(a) Long term Borrowings	28.41	43.61	65.18	21.51	34.25	35.80
	(b) Long term Liabilities	7.82	6.25	4.74	34.18	6.71	8.47
	(c) Deferred Tax Liabilities (Net)						
	(d) Long term provisions	8.47	6.20	3.45	1.74	1.43	1.12
	<b>Sub Total.....(3)</b>	<b>44.70</b>	<b>56.06</b>	<b>73.37</b>	<b>57.43</b>	<b>42.39</b>	<b>45.39</b>
(4)	<b>Current Liabilities</b>						
	(a) Short Term Borrowings	143.38	228.16	276.52	237.40	271.56	212.87
	(b) Trade Payables	267.96	285.94	291.28	307.52	322.57	313.14
	(C) Other Current Liabilities	56.38	96.99	76.75	24.26	3.21	0.77
	(d) Short term provisions	8.59	4.44	5.18	0.97	4.61	3.32
	<b>Sub Total.....(4)</b>	<b>476.31</b>	<b>615.53</b>	<b>649.73</b>	<b>570.15</b>	<b>601.95</b>	<b>530.10</b>
	<b>TOTAL LIABILITIES....(1+2+3+4)</b>	<b>874.13</b>	<b>859.94</b>	<b>887.36</b>	<b>773.21</b>	<b>765.66</b>	<b>670.06</b>
	<b>ASSETS</b>						
(4)	<b>Non-Current Assets</b>						
	(a) Fixed Assets						
	Tangible Assets	68.24	67.91	49.56	57.72	51.04	51.43
	Capital work-in-progress	-	-	-	-	-	
	Intangible Assets	0.19	0.08	0.11	0.13	0.01	0.02
		<b>68.43</b>	<b>67.99</b>	<b>49.67</b>	<b>57.85</b>	<b>51.05</b>	<b>51.45</b>
	(b) Non-Current Investments	-	-	-	-	0.03	0.03
	(c) Deferred Tax Assets	4.60	3.19	1.90	0.30	0.53	0.18
	(d) Long term Loans and Advances	1.19	1.19	1.06	1.11	1.16	1.01
	(e) Other non-Current Assets	-	-	-	-	6.00	-
	<b>Sub Total.....(4)</b>	<b>74.22</b>	<b>72.37</b>	<b>52.63</b>	<b>59.26</b>	<b>58.77</b>	<b>52.67</b>
(5)	<b>Current Assets</b>						
	(a) Current Investments	-	-	-	-	-	-
	(b) Inventories	111.77	91.68	75.97	90.31	107.94	78.56
	(c) Trade Receivables	642.50	674.96	727.55	601.74	573.75	519.95
	(d) Cash and bank balances	30.43	7.43	9.00	6.93	2.43	3.55
	(e) Short Term Loans and Advances	15.21	13.50	22.21	14.97	22.77	15.33
	(f) Other Current Assets	-	-	-	-		
	<b>Sub Total.....(5)</b>	<b>799.91</b>	<b>787.57</b>	<b>834.73</b>	<b>713.95</b>	<b>706.89</b>	<b>617.39</b>
	<b>TOTAL ASSETS.....(4+5)</b>	<b>874.13</b>	<b>859.94</b>	<b>887.36</b>	<b>773.21</b>	<b>765.66</b>	<b>670.06</b>

### Restated Standalone Summary Statement of Profits and Losses

₹ in Lacs

Particulars	For the period ended on 30th November, 2016	For the year ended				
		31st March, 2016	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012
<b>Income from continuing operations</b>						
Revenue from operations						
Manufacturing	1,055.81	1,475.44	1,513.92	1,311.08	1,254.34	1,208.34
Trading	116.51	288.52	119.51	120.87	120.66	73.01
Export Incentive and Export Services	8.45	3.55	33.53	52.12	41.22	23.09
Total	1,180.77	1,767.51	1,666.96	1,484.07	1,416.22	1,304.44
Other Income	1.83	0.35	1.84	2.81	4.36	0.61
<b>Total Revenue</b>	<b>1,182.60</b>	<b>1,767.86</b>	<b>1,668.80</b>	<b>1,486.88</b>	<b>1,420.58</b>	<b>1,305.05</b>
<b>Expenses</b>						
Raw Material Consumed (Manufacturing and Job Work)	707.10	1,036.72	1,183.29	1,067.68	1,055.42	981.55
Purchases-Traded	116.10	288.42	100.66	59.86	51.58	35.88
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(12.56)	(6.65)	9.13	15.71	(28.81)	16.75
Employee benefits expense	139.47	153.24	127.60	113.25	108.44	82.19
Finance Costs	28.29	56.97	56.92	38.65	39.88	33.69
Other expenses	167.98	210.91	171.68	176.26	179.95	141.38
Depreciation and amortisation expenses	10.51	12.15	12.70	9.37	8.26	8.85
<b>Total Expenses</b>	<b>1,156.89</b>	<b>1,751.76</b>	<b>1,661.98</b>	<b>1,480.78</b>	<b>1,414.72</b>	<b>1,300.29</b>
<b>Restated profit before tax from continuing operations</b>	<b>25.71</b>	<b>16.10</b>	<b>6.82</b>	<b>6.10</b>	<b>5.86</b>	<b>4.76</b>
<b>Exceptional Item</b>						
<b>Tax expense/(income)</b>						
Current tax	10.77	7.30	3.39	1.80	2.16	2.10
Deferred tax charge/(credit)	(1.41)	(1.28)	(1.59)	0.23	(0.35)	(0.57)
<b>Total tax expense</b>	<b>9.36</b>	<b>6.02</b>	<b>1.80</b>	<b>2.03</b>	<b>1.81</b>	<b>1.53</b>
<b>Restated profit after tax from continuing operations (A)</b>	<b>16.35</b>	<b>10.08</b>	<b>5.02</b>	<b>4.07</b>	<b>4.05</b>	<b>3.23</b>
<b>Restated profit for the year (A + B)</b>	<b>16.35</b>	<b>10.08</b>	<b>5.02</b>	<b>4.07</b>	<b>4.05</b>	<b>3.23</b>



### Restated Standalone Summary Statement of Cash Flows

₹in Lacs

Particulars	As at					
	30th November, 2016	31st March, 2016	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>						
Net profit before taxation from continuing operations (as restated)	25.71	16.10	6.82	6.10	5.86	4.76
<b>Non cash adjustments to reconcile profit before tax to net cash flows</b>						
(Profit)/Loss on sale of asset	-	-	-	-	(0.27)	0.81
Depreciation and amortisation expense	10.51	12.15	12.70	9.37	8.26	8.85
Provision for Employee Benefits	2.27	2.75	1.71	0.31	0.31	0.27
Interest income	(1.18)	(0.09)	(0.49)	(0.77)	(0.29)	(0.08)
Interest expense	28.29	56.97	56.92	38.65	39.88	33.69
<b>Operating profit before working capital changes (as restated)</b>	<b>65.60</b>	<b>87.88</b>	<b>77.66</b>	<b>53.66</b>	<b>53.75</b>	<b>48.30</b>
<b>Movement in Working Capital</b>						
(Increase)/ decrease in trade receivables	32.46	52.59	(125.81)	(27.99)	(53.80)	(160.98)
(Increase)/ decrease in Inventories	(20.09)	(15.71)	14.34	17.63	(29.38)	10.72
(Increase)/ decrease in loans and advances	(1.71)	8.71	(7.24)	7.80	(7.44)	3.73
(Increase)/ decrease in LT loans and advances	-	(0.13)	0.05	0.05	(0.15)	(1.01)
(Increase)/ decrease in Non-Current Investments				0.03	-	-
(Increase)/ decrease in other non-current assets	-	-	-	6.00	(6.00)	-
Increase/(decrease) in trade payables	(17.98)	(5.34)	(16.24)	(15.05)	9.43	133.34
Increase/(decrease) in other long term liabilities	1.57	1.51	(29.44)	27.47	6.71	-
Increase/(decrease) in other current liabilities	(40.61)	20.24	52.49	21.05	(6.03)	4.21
Increase/(decrease) in Short Term provisions	(0.56)	0.27	1.50	(2.13)	1.72	(0.62)
<b>Cash flow from operations</b>	<b>18.68</b>	<b>150.02</b>	<b>(32.69)</b>	<b>88.52</b>	<b>(31.19)</b>	<b>37.69</b>
Direct taxes paid (including fringe benefit taxes paid) (net of refunds)	(6.08)	(8.30)	(0.67)	(3.38)	(2.60)	(0.06)
Dividend and Dividend Distribution Tax						
<b>Net cash generated from operating activities (A)</b>	<b>12.60</b>	<b>141.72</b>	<b>(33.36)</b>	<b>85.14</b>	<b>(33.79)</b>	<b>37.63</b>

<b>B. CASH FLOW USED IN INVESTING ACTIVITIES</b>						
Purchase of fixed assets, including intangible assets, capital work in progress and capital advances	(10.94)	(30.49)	(4.53)	(18.96)	(10.58)	(6.25)
(Purchase)/Sale of investments		-		2.85	3.00	1.35
Interest received	1.18	0.09	0.49	0.77	0.29	0.08
<b>Net cash used in investing activities (B)</b>	<b>(9.76)</b>	<b>(30.40)</b>	<b>(4.04)</b>	<b>(15.34)</b>	<b>(7.29)</b>	<b>(4.82)</b>
<b>C. CASH FLOW FROM /(USED IN) FINANCING ACTIVITIES</b>						
Proceeds from Long term Borrowings	(15.20)	(21.57)	43.67	(12.74)	(1.55)	(6.43)
Proceeds from Short term Borrowings	(84.78)	(48.36)	39.12	(34.16)	58.69	(1.99)
Proceeds from issue of Share Capital	93.68	2.50	2.72	4.19	4.40	2.59
Share Capital & Share Application Money	-	-	-	(0.70)	0.70	(23.83)
Share Premium	54.75	11.51	10.88	16.76	17.60	23.30
Interest paid	(28.29)	(56.97)	(56.92)	(38.65)	(39.88)	(33.69)
<b>Net cash generated from/(used in) financing activities (C)</b>	<b>20.16</b>	<b>(112.89)</b>	<b>39.47</b>	<b>(65.30)</b>	<b>39.96</b>	<b>(40.05)</b>
<b>Net increase/(decrease) in cash and cash equivalents ( A + B + C )</b>	<b>23.00</b>	<b>(1.57)</b>	<b>2.07</b>	<b>4.50</b>	<b>(1.12)</b>	<b>(7.24)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>7.43</b>	<b>9.00</b>	<b>6.93</b>	<b>2.43</b>	<b>3.55</b>	<b>10.79</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>30.43</b>	<b>7.43</b>	<b>9.00</b>	<b>6.93</b>	<b>2.43</b>	<b>3.55</b>

## THE ISSUE

Present Issue in terms of the Draft Prospectus:

Issue Details	
Equity Shares offered	11,08,000 Equity Shares of ₹ 10 each at an Issue Price of ₹26 each aggregating to ₹ 288.08 Lacs
Of which:	
Reserved for Market Makers	60,000 Equity Shares of ₹10 each at an Issue Price of ₹26 each aggregating to ₹15.60 Lacs
Net Issue to the Public*	10,48,000 Equity Shares of ₹10 each at an Issue Price of ₹26 each aggregating to ₹ 272.48 Lacs
Of which	
Retail Portion	5,24,000 Equity Shares of ₹ 10 each at an Issue Price of ₹26 each aggregating to ₹ 136.24 Lacs
Non Retail Portion	5,24,000 Equity Shares of ₹ 10 each at an Issue Price of ₹26 each aggregating to ₹ 136.24 Lacs
Equity Shares outstanding prior to the Issue	30,61,766 Equity Shares of ₹10 each
Equity Shares outstanding after the Issue	41,69,766 Equity Shares of ₹10 each
Use of Proceeds	For further details please refer chapter titled "Objects of the Issue" beginning on page no 60 of the Draft Prospectus for information on use of Issue Proceeds.

### Notes

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to section titled 'Issue Structure' beginning on page no. **184** of this Draft Prospectus.

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on January 31,2017and by the shareholders of our Company vide a special resolution passed pursuant to section 62(1)(C) of the Companies Act at the EGM held on February 7,2017.

\*As per the Regulation 43(4) 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 retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated.



## GENERAL INFORMATION

Our Company was originally formed as a Private Limited Company in the name and style of "Yug Adhesive Private Limited" under the provision of the Companies Act, 1956 vide Certificate of Incorporation dated June 23, 2003 issued by the Asstt. Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Subsequently, the name of our Company was changed to Yug Decor Private Limited and a fresh Certificate of Incorporation dated December 7, 2004 pursuant to change of name was issued by Registrar of Companies, Gujarat. Consequent upon the conversion of our Company to public limited company, the name of our Company was changed to Yug Decor Limited and fresh Certificate of Incorporation dated September 14, 2016 was issued by the Deputy RoC, Registrar of Companies, RoC-Ahmedabad. The Corporate Identification Number of our Company is U24295GJ2003PLC042531.

For further details in relation to the corporate history of our Company, see the section titled "History and Certain Corporate Matters" on page no107.

### BRIEF COMPANY AND ISSUE INFORMATION

Company Name	Yug Decor Limited
Registered Office	1011,Sakar-5, B/H Natraj Cinema, Ashram Road, Ahmedabad- 380009 <b>Tel:</b> +079-26580920,30020584 <b>Email:</b> account@yugdecor.com <b>Website:</b> www.yugdecor.com <b>Contact Person:</b> Mr. Dashang Manharlal Khatri
Date of Incorporation	June 23,2003
Company Identification No.	U24295GJ2003PLC042531
Company Category	Company limited By Shares
Registrar Of Company	Gujarat Dadra Nagar & Haveli
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.Dashang Manharlal Khatri C/o Yug Decor Limited 1011,Sakar-5, B/H Natraj Cinema Ashram Road, Ahmedabad- 380009 <b>Tel:</b> +079-26580920,30020584 <b>Email:</b> account@yugdecor.com <b>Website:</b> www.yugdecor.com

Note: Investors can contact the Compliance Officer in case of any pre issue or post issue related problems such as non-receipt of letter of allotment or credit of securities in depositories beneficiary account or dispatch of refund order etc.

### BOARD OF DIRECTORS OF OUR COMPANY

Our Board Of Directors Consist of:

Name	Designation	DIN
Mr. Chandresh Santosh Kumar Saraswat	Managing Director	01475370
Mr. Santosh Kumar Saraswat	Director	00236008
Ms. Ankita Chandresh Saraswat	Whole Time Director	05342198
Mr. Abhay Rameshchandra Shrivastava	Director	07719944
Mr. Jitesh Tiwari	Director	07720819



For further details pertaining to the education qualification and experience of our Directors, please refer page no. 110 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>GRETEX CORPORATE SERVICES PRIVATE LIMITED</b> Office No. -13, 1st Floor, (New Bansilal Building), 9-15, HomiModi Street, Fort Near BSE, Mumbai -400023 Tel No: +91-22-40025273 / 9836822199 / 9836821999 Fax No.: +91-22-40025273 SEBI Registration No: INM000012177 Email:info@gretexgroup.com Website: www.gretexcorporate.com Contact Person: Mr. Tanmoy Banerjee	<b>SATELLITE CORPORATE SERVICES PRIVATE LIMITED</b> B-302, Sony Apartment, Opp. St. Jude High School, 90 ft. Road, Off Andheri Kurla Road, Jarimari, Sakinaka, Mumbai - 400 072. Tel: +91-22- 28520461/462 Fax:+91-22- 28511809 SEBI REGN NO: INR000003639 Email Id: service@satellitecorporate.com Website: www.satellitecorporate.com Contact Person: Mr. Michael Monteiro

Auditor of the Company	Peer Review Auditor of the Company
<b>P.D.GOINKA &amp; CO.</b> Chartered Accountants 203-204, 2nd Floor, Austmangal Complex. Near rajasthan Hospital, Shahibaug, Ahmedabad-380004 Tel No.:+91-079- 22868210 (M) 9328165582 Email id: goenkapanakaj@yahoo.com	<b>P.D.GOINKA &amp; CO.</b> Chartered Accountants 203-204, 2nd Floor, Austmangal Complex. Near rajasthan Hospital, Shahibaug, Ahmedabad-380004 Tel No.:+91-079- 22868210 (M) 9328165582 Email id: goenkapanakaj@yahoo.com

Bankers to the Company	Bankers to the Company
<b>Allahabad Bank</b> Bhagwati Chamber's, Opp. Gujarat Vidyapith, Ashram Road, Ahmedabad - 380014 Tel No.:+91-079- 27544911/ 27546378 Fax.: 079-27542334 Email Id: br.ashram@allahabadbank.in Contact Person : R L Khatri	<b>ICICI BANK</b> JMC House, Opp Parimal Garden, Ambavadi , Ahmedabad - 380006 Tel No.:+91-079- 26462977/78, Fax No.: 079-66523735 Email :customer.care@icicibank.com Website: www.icicibank.com

Legal Advisor to the Issue	Bankers to the Issue and Refund Banker
M N. Marfatia Advocate 4th Floor, New York Tower-A, S.G. Highway, Thaltej, Ahmedabad. Tel: 079-26856001-04 MO: +91-9898917167 Email Id: mauleen.marfatia@gmail.com Contact Person: Mauleen Marfatia Bar Council No. : G/1585/2008	[•]

#### 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.

## STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES

Since, Gretex Corporate Services 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 XB of the SEBI (ICDR) Regulations, there is no requirement of appointing an IPO Grading agency.

### TRUSTEE

As this is an issue of Equity Shares, the appointment of 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

In terms of sub regulation (1) Regulation 16 of SEBI ICDR Regulations, Our Company is not required to appoint a monitoring agency in relation to the issue. However, Audit Committee of our Company would 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 April 04, 2017Pursuant to the terms of the Underwriting Agreement; the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹ in Lacs)	% of the Total Issue Size Underwritten
<b>GRETEX CORPORATE SERVICES PRIVATE LIMITED</b> Office No. -13, 1st Floor, (New Bansilal Building), 9-15, HomiModi Street, Fort, Mumbai -400023	10,48,000	272.48	94.58%
<b>Sherwood Securities Private Limited</b> Office No.13,Raja Bahadur Mansion (New Bansilal Building), 9-15 HomiModi Street, Fort,Mumbai-400023	60,000	15.60	5.42%
<b>Total</b>	<b>11,08,000</b>	<b>288.08</b>	<b>100.00 %</b>

In the opinion of our Board of Directors (based on a certificate given by the Underwriter), the resources of the above mentioned Underwriters are sufficient to enable them to discharge the underwriting obligations in full. The abovementioned Underwriters are 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 April 04, 2017 with the following Market Maker, duly registered with BSE Limited to fulfill the obligations of Market Making:

### **Sherwood Securities Private Limited**

Office No.13, Raja Bahadur Mansion,  
(New Bansilal Building),  
9-15 HomiModi Street,  
Fort,Mumbai-400023  
Tel. No. 022-40025273  
Email: [sherwoodpvtltd@yahoo.co.in](mailto:sherwoodpvtltd@yahoo.co.in)  
Contact Person: Mr. Alok Harlalka  
SEBI Registration No.: INB011394633

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 Market 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 106V of the SEBI (ICDR) Regulations, 2009. Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers 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) After completion of the first three months of market making, in terms of SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; the Market Maker shall be exempt from providing buy quote on attaining the prescribed threshold limits (including the mandatory allotment of 5% of Equity Shares of the Offer). Further, the Market Maker can offer buy quotes only after the Market Maker complies with prescribed re-entry threshold limits. Only those Equity Shares which have been acquired by the Market Maker on the platform of the SME Exchange during market making process shall be counted towards the Market Maker's threshold. The Market Maker shall be required to provide two way quotes during the first three months of the market making irrespective of the level of holding
- 12) 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:
  - i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time. The call auction is not applicable of those companies, which are listed at SME platform.

- 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
A.	<b>AUTHORISED EQUITY CAPITAL</b>		
	42,50,000 Equity Shares of ₹ 10 each	425.00	
B.	<b>ISSUED, SUBSCRIBED &amp; PAID -UP CAPITAL BEFORE THE ISSUE</b>		
	30,61,766 Equity Shares of ₹ 10 each	306.177	
C.	<b>PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS</b>		
	11,08,000 Equity Shares of ₹ 10 each at a premium of ₹ 16 per share	110.80	288.08
	<b>Which Comprises</b>		
(I)	Reservation for Market Maker 60,000 Equity Shares of ₹ 10 each at a premium of ₹ 16 will be available for allocation to Market Maker	6.00	15.60
(II)	Net Issue to the Public 10,48,000 Equity Shares of ₹ 10 each at a premium of ₹ 16 per share	104.80	272.48
	<b>Of Which</b>		
(I)	5,24,000 Equity Shares of ₹ 10 each at a premium of ₹ 16 per share shall be available for allocation for Investors applying for a value of upto ₹ 2 lacs	52.40	136.24
(II)	5,24,000 Equity Shares of ₹ 10 each at a premium of ₹ 16 per share shall be available for allocation for Investors applying for a value of above ₹ 2 lacs	52.40	136.24
D.	<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL AFTER THE PRESENT ISSUE</b>		
	41,69,766 Equity Shares of ₹ 10 each	416.98	
E.	<b>SHARE PREMIUM ACCOUNT</b>		
	Share Premium account before the Issue		17.24
	Share Premium account after the Issue		194.52

**Note:**

#The present issue of 11,08,000 equity shares in terms of this Draft Prospectus has been authorised by a resolution of our Board dated January 31,2017 and by a 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 February 7,2017.

### Class of Shares

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



### Changes in Authorized Share Capital:

Sr. No	Particulars of Increase	Cumulative no. of equity shares	Cumulative Authorised Share Capital (Rs. in Lacs)	Date of Meeting	Whether AGM/EGM
1.	On incorporation	10,000	1.00	-	-
2.	Increase from 1.00 Lac to 5.00 Lacs	50,000	5.00	March 16, 2006	EGM
3.	Increase from 5.00 Lac to 15.00 Lacs	1,50,000	15.00	June 8, 2007	EGM
4.	Increase from 15.00 Lacs to 20.00 Lacs	2,00,000	20.00	June 11, 2009	EGM
5.	Increase from 20.00 Lacs to 24.50 Lacs	2,45,000	24.50	December 29, 2012	EGM
6.	Increase from 24.50 Lacs to 30.00 Lacs	3,00,000	30.00	August 26, 2013	EGM
7.	Increase from 30.00 Lacs to 40.00 Lacs	4,00,000	40.00	November 27, 2015	EGM
8.	Increase from 40.00 Lacs to 325.00 Lacs	32,50,000	325.00	August 4, 2016	EGM
9.	Increase from 325.00 Lacs to 425.00 Lacs	42,50,000	425.00	February 7, 2017	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 ₹)
June 17, 2003	10,000	10	10	Cash	Subscribers to the Memorandum	10,000	1,00,000	NIL
March 28, 2006	40,000	10	20	Cash	Further allotment	50,000	5,00,000	4,00,000
November 15, 2007	45,120	10	25	Cash	Further allotment	95,120	9,51,200	10,76,800
March 5, 2009	39,763	10	25	Cash	Further allotment	1,34,883	13,48,830	16,73,245
March 25, 2009	5,000	10	100	Cash	Further allotment	1,39,883	13,98,830	21,23,245
June 27, 2009	17,500	10	100	Cash	Further allotment	1,57,383	15,73,830	36,98,245
June 2, 2010	3,000	10	100	Cash	Further allotment	1,60,383	16,03,830	39,68,245
June 9, 2010	617	10	10	Cash	Further allotment	1,61,000	16,10,000	39,68,245
January 31, 2012	25,885	10	100	Cash	Further allotment	1,86,885	18,68,850	62,97,895
February 28, 2013	44,000	10	50	Cash	Further allotment	2,30,885	23,08,850	80,57,895
May 14, 2013	4,400	10	50	Cash	Further allotment	2,35,285	23,52,850	82,33,895

September 16, 2013	20,500	10	50	Cash	Further allotment	2,55,785	25,57,850	90,53,895
March 15, 2014	17,000	10	50	Cash	Further Allotment	2,72,785	27,27,850	97,33,895
March 21, 2015	27,215	10	50	Cash	Further Allotment	3,00,000	30,00,000	1,08,22,495
March 26, 2016	25,000	10	56	Cash	Further Allotment	3,25,000	32,50,000	1,19,72,495
June 2, 2016	23,000	10	60	Cash	Further Allotment	3,48,000	34,80,000	1,31,22,495
July 26, 2016	52,000	10	60	Cash	Further Allotment	4,00,000	40,00,000	1,57,22,495
August 5, 2016*	18,00,000	10	Nil	-	Bonus Issue (4.5:1)	22,00,000	2,20,00,000	Nil
October 5, 2016	8,61,766	10	12	Cash	Further Allotment	30,61,766	3,06,17,660	17,23,532

**Note:**

\*Bonus Equity shares in the ratio of 4.5:1 Equity shares have been issued to all our Shareholders on August 5, 2016 by capitalizing Share Premium Account by Rs. 1,57,22,495 and balance amount of Rs.22,77,505 available with Profit and Loss Account.

**2. Shares issued for consideration other than cash**

Except as set out in the Table below, we have made no issues of shares for consideration other than cash

Date of Allotment	No of Equity shares	Reasons for allotment	Benefits accruing to the Company
August 5, 2016	18,00,000	Bonus Allotment	None

Further, our Company has not allotted any Equity Shares pursuant to any scheme approved under section 391-394 of the Companies Act, 1956.

**3. Share Capital Build-up of our Promoters & Lock-in**

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

<b>(i) Mr. Santosh Kumar Saraswat</b>								
Date of Allotment/ Transfer	Nature of Issue/ Allotment (Bonus, Rights etc)	Co nsideratio n	No. of Equity Shares	Cumulat ive No. of Equity Shares	Face Value (₹)	Issue/ Trans fer	% of total pre and post issue capital	Lock in Period
June 17,2003	Subscription to Memorandum of Association	10	5000	5000	10	-	0.16	0.12
March 28, 2006	Further allotment	20	20000	25,000	10	Issue	0.65	0.48
November 15,2007	Further allotment	25	16,520	41,520	10	Issue	0.54	0.40
January 31, 2012	Further allotment	100	1,750	43,270	10	Issue	0.06	0.04
February 28, 2013	Further allotment	50	30,000	73,270	10	Issue	0.98	0.72
July 26, 2016	Further allotment	60	10,500	83,770	10	Issue	0.34	0.25
August 5,2016	Further allotment	-	3,76,965	4,60,735	10	Bonus Shares	12.31	9.04



October 5, 2016	Further allotment	12	75,000	5,35,735	10	Issue	2.45	1.81	1 Year
	<b>Total</b>		<b>5,35,735</b>				<b>17.50</b>	<b>12.86</b>	

**(ii) Mr. Chandresh Saraswat**

November 15,2007	Further allotment	25	5,600	5,600	10	-	0.18	0.13	1 Year
March 5,2009	Further allotment	25	18,000	23,600	10	Issue	0.59	0.43	1 Year
June 27, 2009	Further allotment	100	9,500	33,100	10	Issue	0.31	0.23	1 Year
June 9, 2010	Further allotment	10	617	33,717	10	Issue	0.02	0.01	1 Year
January 31, 2012	Further allotment	100	3,050	36,767	10	Issue	0.10	0.08	1 Year
February 28,2013	Further allotment	50	800	37,567	10	Issue	0.03	0.02	1 Year
March 15,2014	Further allotment	50	10,000	47,567	10	Issue	0.33	0.24	1 Year
March 21,2015	Further allotment	50	14,615	62,182	10	Issue	0.48	0.35	1 Year
March 26,2016	Further allotment	56	25,000	87,182	10	Issue	0.82	0.60	1 Year
June 2, 2016	Further allotment	60	13,000	1,00,182	10	Issue	0.42	0.31	1 Year
July 26, 2016	Further allotment	60	23,100	1,23,282	10	Issue	0.75	0.55	1 Year
August 5,2016 Further allotment (554769)		-	1,59,769	2,83,051	10	Bonus Shares	5.22	3.83	1 Year
			3,95,000	6,78,051	10	Bonus Share	12.90	9.47	3 Years
October 5, 2016	Further allotment	12	1,14,000	7,92,051	10	Issue	3.72	2.73	1 Year
	<b>Total</b>		<b>7,92,051</b>				<b>25.87</b>	<b>19.00</b>	
	<b>Total</b>		<b>13,27,786</b>				<b>43.37</b>	<b>31.85</b>	

As per clause (a) sub-regulation (1) Regulation 32 of the SEBI ICDR Regulations and in terms of the aforesaid table, an aggregate of 20.52 % of the post-Issue Equity Share Capital of our Company i.e.8,55,735 equity shares shall be locked in by our Promoters 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 Promoters for the lock-in of 8,55,735 Equity Shares.

We confirm that the minimum Promoters' contribution of 20.52 % 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;
- 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; or equity shares pledged with any creditor.
- Further, our Company has not 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 391-394 of the Companies Act, 1956.

#### **4. Equity Shares locked-in for one year**

In addition to 20.52% 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 i.e. 22,06,031 Equity Shares, would be locked-in for a period of one year from the date of Allotment in the proposed Initial Public Offering.

#### **5. Other requirements in respect of 'lock-in'**

In terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters' prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 37 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable.

In terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked in as per the provisions of Regulation 36 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.

In terms of Regulation 39 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 36 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 36 of the SEBI ICDR Regulations and the pledge of specified securities is one of the terms of sanction of the loan.

6. Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
7. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI Share Based Employee Benefits Regulations, 2014.
8. 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.



9. Except stated below our Company has not issued any Equity Shares during a period of one year preceding the date of the Draft Prospectus at a price lower than the Issue price.

Sr. No.	Name of Person	No. of Shares Allotted
1.	Abha Saraswat	32,700
2.	Ankita Saraswat	47,500
3.	Chandresh Saraswat	1,14,000
4.	Chandresh Saraswat HUF	42,500
5.	Nisha Saraswat	1,30,700
6.	Santosh Kumar Saraswat	75,000
7.	Santosh Kumar Saraswat HUF	4,200
8.	Sanjeev Saraswat	42,000
9.	Alpesh Rajnikant Makwana	13,000
10.	Kamlesh Jayantilal Shah	33,333
11.	Kamlesh Jayantilal Shah HUF	33,333
12.	Falguni Kamlesh Shah	25,000
13.	Vinaben Vinodchandra Shah	40,000
14.	Mamtaben Laxminarayan Darji	16,500
15.	Bhartiben Bharatkumar Vora	40,000
16.	Bhupendra Revandas Parmar	1,000
17.	Chintan Shah	1,000
18.	Ghanshyam Kantilal Barot	3,000
19.	Hanif Fakirmohammad Shaikh	1,000
20.	Jaivik Kanaiyalal Somaiya	1,000
21.	Jatadhari Sadanand	1,000
22.	Jignesh Kanaiyalal Modi	1,000
23.	Jitendra Ambalal Dabhi	1,000
24.	Ketan Ramniklal Mehta	1,50,000
25.	Kishor Madhuji Thakor	1,000
26.	Maheshkumar Bachubhai Panchal	2,000
27.	Manoj Manilal Solanki	1,000
28.	Nilam Rajivkumar Shah	1,000
29.	Rajesh namdevbhai Chaudhari	1,000
30.	Rajeshkuamr Vajesinh Parmar	1,000
31.	Ravi Sanjay Kumar Bhatt	2,000
32.	Rushil Sanjaykumar Bhatt	2,000
33.	Sushamaben Snehal Vyas	1,000
<b>TOTAL</b>		<b>8,61,766</b>

#### 10. 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)	Shareholding Pattern										Number of Locked in shares (XII)	Number of shares pledged or otherwise encumbered (XIII)	Number of shares held in dematerialized form (XI)
		No. of shares held fully paid-up (IV)	No. of shares held held by holders (III)	No. of shares held equity paid -up (V)	No. of shares held equity held (VI)	Total nos. shares held (VII) = (IV)+(V) (VI)+(VII)	Share holding as a % of total no. of shares (calcu- lated as per SCRR '1957) (VIII)	Number of Voting Rights held in each class of securities (IX)	No. of shares held equity held (V)	Share holding , as a % of assum- ing full conver- sion of convert- ible securi- ties (as a percent age of diluted share capital) (X) = (V II)+(X) As a % of (A+B +C2)	No. of Voting Rights (X)	Total as a % of (A+ B+C )	No. of shares held (a)	No. of shares held (b)
<b>(A)</b>	<b>Promoter &amp; Promoter Group</b>	<b>9</b>	<b>2509100</b>	<b>0</b>	<b>0</b>	<b>2509100</b>	<b>81.95</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>81.95</b>	<b>0</b>	<b>0</b>
<b>(B)</b>	<b>Public</b>	<b>27</b>	<b>552666</b>	<b>0</b>	<b>0</b>	<b>552666</b>	<b>18.05</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18.05</b>	<b>0</b>	<b>0</b>
<b>(C)</b>	<b>Non Promoter-Non Public</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(C1)</b>	Shares underlying DRs	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(C2)</b>	Shares held by Employee Trusts	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>36</b>	<b>3061766</b>			<b>3061766</b>	<b>100.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100.00</b>	<b>0</b>	<b>0</b>



ii. Shareholding Pattern of the Promoter and Promoter Group

Category & Name of the shareholders (I)	PAN (II)	Nos of share holder (III)	No of fully paid-up equity shares held (IV)	Total nos. shares held (VII) = (IV)+(V)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	No of Voting Rights	Rights held in each class of securities (IX)	No of Voting Rights held in each class of securities (IX)	No of share s Unde rlyin g	Shareholding, as a % assum in g full conversi on of convertible securities (XI)	Number of Locked in shares (XII)	Number of shares pledged or otherwise encumbered (XIII)	Nu mbe r of equi ty shar es held in dem ateri al for m (XIV)
(1)	Indian												
(a)	Individuals/H.U.F		9	2509100	0	0	2509100	81.95	0	0	0	0	81.95
1	Santosh Kumar Saraswat	ALLPS 4856N	535735	0	0	535735	17.50	0	0	0	0	0	17.50
2	Chandresh Saraswat	AHZPS 0727J	792051	0	0	792051	25.87	0	0	0	0	0	25.87
3	Ankita Saraswat	COZPS 7235A	53000	0	53000	1.73	0	0	0	0	0	0	1.73
4	Chandresh Saraswat H.U.F	AABHC 0240D	220920	0	220920	7.22	0	0	0	0	0	0	7.22
5	Nisha Saraswat	AKQPS 4880A	241965	0	241965	7.90	0	0	0	0	0	0	7.90
6	Abha Saraswat	ANZPS 1605F	339468	0	339468	11.09	0	0	0	0	0	0	11.09



7	Sanosh Kumar Saraswat HUF	AAIHS 8285F	204961	0	0	204961	6.69	0	0	0	0	6.69	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	Pooja Saraswat	AFBPS 1124D	66000			66000	2.16					2.16																	
9	Suresh Chandra Saraswat	AALPS 1997F	55000	0	0	55000	1.80	0	0	0	0	1.80	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(b)	Central/State Government(s)		0	0	0	0.00	0	0	0	0	0	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(c)	Financial Institutions/Banks		0	0	0	0.00	0	0	0	0	0	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(d)	Any Other (Specify)																											0	
	Bodies Corporate		0	0	0	0.00	0	0	0	0	0	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Sub- Total (A)(1)</b>		<b>9</b>	<b>2509100</b>	<b>0</b>	<b>0</b>	<b>2509100</b>	<b>81.95</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>81.95</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
<b>(2)</b>	<b>Foreign</b>																												
	Individuals (Non-Resident Individuals/ Foreign Individuals)		0	0	0	0.00	0	0	0	0	0	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(a)	Government		0	0	0	0.00	0	0	0	0	0	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(b)	Institutions		0	0	0	0.00	0	0	0	0	0	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(c)	Foreign Portfolio Investor		0	0	0	0.00	0	0	0	0	0	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(d)	Any Other (Specify)		0	0	0	0.00	0	0	0	0	0	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Sub- Total (A)(2)</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>0.00</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>		<b>9</b>	<b>2509100</b>	<b>0</b>	<b>0</b>	<b>2509100</b>	<b>81.95</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>81.95</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

**iii. Shareholding Pattern of our Public Shareholder**

Category & Name of the shareholder s (I)	PAN (II)	Nos of share holder (III)	No of fully paid-up equity shares held (IV)	Par value (V)	No of sha res held (VI)	Total nos. shares held (VII) = (IV)+(V)	Shareholding % calculated as per SCRR, 1957) As a % of (A+B+C 2) (VIII)	No of Voting Rights	Number of Voting Rights held in each class of securities (IX)			Shareholding as a % assumed full conversion of convertible securities (as a % of total shares held)	Number of Locked in shares (XII)	Number of shares pledged or otherwise wise encumbered (XIII)	As a % of total share s held (Not applicable) (b)	Number of equity shares held in dematerialized form (XIV)
									Cl as	Cla ss	Tot al					
<b>(1) Institutions</b>																
<b>(a) Mutual Fund/UTI</b>				0	-	-	-	-	-	-	-	-	-	-	NA	
<b>(b) Venture Capital Funds</b>				0	-	-	-	-	-	-	-	-	-	-	NA	
<b>(c) Alternate Investment Funds</b>				0	-	-	-	-	-	-	-	-	-	-	NA	
<b>(d) Foreign Venture</b>				0	-	-	-	-	-	-	-	-	-	-	NA	





ii.Individual shareholders holding nominal share capital in excess of Rs.2 lakhs.	10	530666	0	0	530666	17.33	0	0	0	0	0	17.	33	0	NA	0
(b) NBFCs registered with RBI	0	0	0	0	0	0.00	0	0	0	0	0	0.0	0	0	NA	0
(C) Employee Trust	0	0	0	0	0	0.00	0	0	0	0	0	0.0	0	0	NA	0
(d) Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0	0	0.00	0	0	0	0	0	0.0	0	0	NA	0
(e) Any Other (Specify)	0	0	0	0	0	0.00	0	0	0	0	0	0.0	0	0	NA	0
<b>Sub-Total (B)(3)</b>	<b>27</b>	<b>552666</b>	<b>0</b>	<b>0</b>	<b>552666</b>	<b>18.05</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18.</b>	<b>05</b>	<b>0</b>	<b>NA</b>	<b>0</b>
<b>Total Public Shareholders (B)=(B)(1)+(B)(2)+(B)(3)</b>	<b>27</b>	<b>552666</b>	<b>0</b>	<b>0</b>	<b>552666</b>	<b>18.05</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18.</b>	<b>05</b>	<b>0</b>	<b>NA</b>	<b>0</b>



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

Category & Name of the Shareholders (I)	PA No (II)	No of shares held (III)	No of partly paid-up equity shares (III)	No of fully Paid-up equity shares (IV)	Total nos. share held (VII)	Share holding as a % of total no. of shares (VIII)	Number of Voting Rights held in each class of securities (IX)	No of shares Underlying Outstanding (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)	No. As a % of total shares held (Not applicable) (XIV)	No. As a % of total shares held for m(XI-V)	Number of Voting Rights (calculated as per SCRRA, 1957) (V)	Total as per SCRRA, 1957 (VI)	Total as a % of (A+B+C2) (VIII)	Total as a % of Total Voting Rights (X)	Total as a % of Total Voting Rights (XI)	Total as a % of Total Voting Rights (XII)	Total as a % of Total Voting Rights (XIII)			
														Par share	No of shares held (IV)	Share held (V)	Share held (VI)	Share held (VII)	Share held (VIII)	Share held (IX)	Share held (X)	Share held (XI)	Share held (XII)
(1) Custodian/DR Holder																							
(a) Name of DR Holder (If available)	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub total (C) (1)	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Employee Benefit Trust (Under SEBI (Share based Employee Benefit) Regulations, 2014)	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub total (C) (2)	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Non-Promoter - Non Public Shareholding (C)=(C)(1)+(C)(2)	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Our Company will file shareholding pattern 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.



**11. The shareholding pattern of our Promoter and Promoter Group 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. Santosh Kumar Saraswat	5,35,735	17.50	5,35,735	12.85
2.	Mr. Chandresh Saraswat	7,92,051	25.87	7,92,051	19.00
	<b>Total (A)</b>	<b>13,27,786</b>	<b>43.37</b>	<b>13,27,786</b>	<b>31.87</b>
<b>(ii) Promoter Group</b>					
3.	Abha Saraswat	339468	11.09	339468	8.14
4.	Ankita Saraswat	53000	1.73	53000	1.27
5.	Chandresh Saraswat HUF	220920	7.22	220920	5.30
6.	Nisha Saraswat	241965	7.90	241965	5.80
7.	Santosh Kumar Saraswat HUF	204961	6.69	204961	4.92
8.	Pooja Saraswat	66000	2.16	66000	1.58
9.	Suresh Chandra Saraswat	55000	1.80	55000	1.32
	<b>Total (B)</b>	<b>11,81,314</b>	<b>38.58</b>	<b>11,81,314</b>	<b>28.33</b>
	<b>Total (A+B)</b>	<b>25,09,100</b>	<b>81.95</b>	<b>25,09,100</b>	<b>60.17</b>
<b>(iii) Public</b>					
10.	Asha Saraswat	22000	0.72	22000	0.53
11.	Sanjeev Saraswat	42000	1.37	42000	1.01
12.	Kamlesh Jayantilal Shah	44333	1.45	44333	1.06
13.	Kamlesh Jayantilal Shah HUF	33,333	1.09	33,333	0.80
14.	Falguni Kamlesh Shah	25000	0.82	25000	0.60
15.	Vinaben Vinodchandra Shah	73000	2.38	73000	1.75
16.	Mamtaben Laxminarayan Darji	60500	1.98	60500	1.45
17.	Alpesh Rajnikant Makwana	40500	1.32	40500	0.97
18.	Ketan Rajnikant Mehta	150000	4.90	150000	3.60
19.	Bhartiben Bharatkumar Vora	40000	1.31	40000	0.96
20.	Bhupendra Revandas Parmar	1000	0.03	1000	0.02
21.	Chintan Shah	1000	0.03	1000	0.02
22.	Ghanshyam Kantilal Barot	3000	0.10	3000	0.07
23.	Hanif Fakirmohamad Shaikh	1000	0.03	1000	0.02
24.	Jaivik Kanaiyalal Somaiya	1000	0.03	1000	0.02
25.	Jatadhari Sadanand Sahu	1000	0.03	1000	0.02
26.	Jignesh Kanaiyalal Modi	1000	0.03	1000	0.02
27.	Jitendra Ambalal Dabhi	1000	0.03	1000	0.02
28.	Kishor Madhujki Thakor	1000	0.03	1000	0.02
29.	Maheshkumar B Panchal	2000	0.07	2000	0.05
30.	Manboj Manilal Solanki	1000	0.03	1000	0.02
31.	Nilam Rajivkumar Shah	1000	0.03	1000	0.02
32.	Rajesh Navdevbhai Chaudhary	1000	0.03	1000	0.02
33.	Rajeshkumar V Parmar	1000	0.03	1000	0.02
34.	Ravi Sanjaykumar Bhatt	2000	0.07	2000	0.05
35.	Rushil Sanjay Bhatt	2000	0.07	2000	0.05
36.	Sushmaben Snehal Vyas	1000	0.03	1000	0.02
	<b>IPO</b>	<b>-</b>	<b>-</b>	<b>1108000</b>	<b>26.57</b>
	<b>Total (C)</b>	<b>5,52,666</b>	<b>18.05</b>	<b>16,60,666</b>	<b>39.83</b>
	<b>Grand Total (Total A+B+C)</b>	<b>30,61,766</b>	<b>100.00</b>	<b>41,69,766</b>	<b>100.00</b>



12. 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 may propose 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.
13. During the past six months immediately preceding the date of filing Draft Prospectus no Equity shares of the company have been purchased by our Promoter, their relatives and associates, persons in Promoter Group [as defined under sub clause (zb) sub regulation (1) Regulation 2 of SEBI (ICDR) Regulations.
14. Except as set out below none of the members of the Promoter Group, the Promoter, Directors and their immediate relatives have been allotted Equity Shares during the period of six months immediately preceding the date of filing of the Prospectus with the Stock Exchange:

Sr. No.	Name of Person	No. of Shares Allotted
1.	Chandresh Saraswat	1,14,000
2.	Santosh Kumar Saraswat	75,000
3.	Abha Saraswat	32,700
4.	Ankita Saraswat	47,500
5.	Chandresh Saraswat HUF	42,500
6.	Nisha Saraswat	1,30,700
7.	Santosh Kumar Saraswat HUF	4,200

15. 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.
16. 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.
17. There are no safety net arrangements for this public issue.
18. 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.
19. 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.
20. As per RBI regulations, OCBs are not allowed to participate in this Issue.

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

**(a)Particulars of the top ten shareholders as on the date of the Draft Prospectus:**

Sr. No	Name of shareholder	No. of Shares	% of Shares to Pre-Issue Capital
1.	Chandresh Saraswat	792051	25.87
2.	Santosh Kumar Saraswat	535735	17.50
3.	Abha Saraswat	339468	11.09
4.	Nisha Saraswat	241965	7.90

5.	Chandresh Saraswat HUF	220920	7.22
6.	Sanosh Kumar Saraswat HUF	204961	6.69
7.	Ketan Rajnikant Mehta	150000	4.90
8.	Vinaben Vinodchandra Shah	73000	2.38
9.	Pooja Saraswat	66000	2.16
10.	Mamtaben Laxminarayan Darji	60500	1.98
<b>Total</b>		<b>26,84,600</b>	<b>87.69</b>

**(b) Particulars of top ten shareholders 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.	Chandresh Saraswat	792051	25.87
2.	Santosh Kumar Saraswat	535735	17.50
3.	Abha Saraswat	339468	11.09
4.	Nisha Saraswat	241965	7.90
5.	Chandresh Saraswat HUF	220920	7.22
6.	Sanosh Kumar Saraswat HUF	204961	6.69
7.	Ketan Rajnikant Mehta	150000	4.90
8.	Vinaben Vinodchandra Shah	73000	2.38
9.	Pooja Saraswat	66000	2.16
10.	Mamtaben Laxminarayan Darji	60500	1.98
<b>Total</b>		<b>26,84,600</b>	<b>87.69</b>

**(c) Particulars of the top ten shareholders two years prior to the date of the Draft Prospectus**

Sr. No	Name of shareholder	No. of Shares	% of Shares to Pre-Issue Capital
1.	Abha Saraswat	48,776	1.59
2.	Chandresh Saraswat	47,567	1.55
3.	Chandresh Saraswat HUF	19,850	0.65
4.	Nisha Saraswat	17,080	0.56
5.	Santosh Kumar Saraswat	73,270	2.39
6.	Sanosh Kumar Saraswat HUF	28,242	0.92
7.	Pooja Saraswat	12,000	0.39
8.	Vinaben Vinodchandra Shah	6,000	0.20
9.	Asha Saraswat	4,000	0.13
10.	Suresh Chandra Saraswat	10,000	0.33
<b>Total</b>		<b>2,66,785</b>	<b>8.71</b>

22. Our Company has not raised any bridge loan against the proceeds of this Issue. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of the Net Proceeds.
23. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
24. 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.
25. 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.
26. We have 36 shareholders as on the date of filing of the Draft Prospectus.
27. Our Promoter and the members of our Promoter Group will not participate in this Issue.



28. Our Company has not made any public issue or right issue since its incorporation.
29. Neither the Lead Manager, nor their associates hold any Equity Shares of our Company as on the date of the Draft Prospectus.
30. Our Company shall ensure that transactions in the Equity Shares by the Promoter and the Promoter Group between the date of filing the Draft Prospectus and the Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction.
31. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except Mr. Santosh Kumar Saraswat director, Mr. Chandresh Saraswat, Managing director and Mrs. Ankita Saraswat, Whole Time Director holding 5,35,735 Equity Shares, 792051 Equity shares and 53000 Equity Shares respectively in our Company, for further details of holding see the chapter titled "Our Management" beginning on page number 110.



## SECTION IV - PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The objects of the Issue are:

1. Working Capital Requirement;
2. General Corporate Purpose;
3. Meeting Public Issue Expenses.

Our Company believes that listing will enhance our Company's corporate image, brand name and create a public market for its Equity Shares in India. The main objects clause of our Memorandum enables our Company to undertake the activities for which funds are being raised in the Issue. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

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

Sr. No.	Particulars	Amount	(₹ In lacs)
			% of the Total Issue Size
1)	Working Capital Requirement	209.23	72.63
2)	General Corporate Purpose	45.00	15.62
3)	Public Issue Expenses	33.85	11.75
	<b>Total</b>	<b>288.08</b>	<b>100.00</b>

#### Means of Finance

Sr. No.	Particulars	(₹ In Lacs)
		Amount
1)	Proceeds from Initial Public Offer	288.08
	<b>Total</b>	<b>288.08</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 4 (2) (g) of the SEBI ICDR Regulations and Clause VII C of Part A of Schedule VIII 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 Promoters, Promoter Group, Group Entities, directors, Key Managerial Personnel and associates.

#### DETAILS OF THE OBJECTS OF THE ISSUE

##### 1) TO MEET INCREMENTAL WORKING CAPITAL REQUIREMENTS :

We are engaged in manufacturing of Water Based Adhesive, Rubber Solution/Adhesive, Lai (Starch Based Solution), Surface Coating: Melamyne and Magic Touch, Paints: Distemper, Cement Primer/Wall Primer, Emulsion, Enamel including Automotive Paints.

As on March 31, 2016 the Company's net working capital consisted of Rs. 400.20 Lakhs as against the Rs. 461.50 lakhs as on March 31, 2015. The total working capital requirement for F.Y. 2016-17 and 2017-18 is estimated to be Rs. 613.19 Lakhs and Rs. 794.42 Lakhs respectively. As on the date of this Draft Prospectus we meet our working capital requirements in the ordinary course of its business from capital, internal accruals, unsecured loans, working capital loans from the Banks etc.

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

(₹ In Lacs)

Particulars	F.Y. 2014-15	F.Y. 2015-16	F.Y. 2016-17 (Estimated)	2017-18 (Estimated)
<b>Current Assets</b>				
<b>Inventories</b>				
Raw Material	25.13	47.18	48.08	61.64
Working In Progress	0.46	3.7	4	5
Finished Goods	16.97	20.38	26.71	34.25
Consumables	18.9	0	0.00	0
Packing Material	14.5	20.41	19.52	25
Trade Receivables	727.55	674.96	801.37	1027.40
Short Term Loans and Advances	22.20	13.5	15.00	15
Cash and Bank Balance	9.00	7.43	10.00	10.00
<b>Total Current Assets (A)</b>	<b>834.71</b>	<b>787.56</b>	<b>924.68</b>	<b>1178.29</b>
<b>Less: Current Liabilities</b>				
Trade Payables	301.49	285.93	288.49	369.86
Other Current Liabilities	66.54	96.99	15.00	2
Short Term Provisions	5.18	4.44	8.00	12
<b>Total Current Liabilities (B)</b>	<b>373.21</b>	<b>387.36</b>	<b>311.49</b>	<b>383.86</b>
<b>NET WORKING CAPITAL REQUIREMENTS (A-B)</b>	<b>461.50</b>	<b>400.20</b>	<b>613.19</b>	<b>794.42</b>
<b>Funding Pattern</b>				
Bank Finance	276.52	285.93	290.00	290.00
Unsecured Loan/Borrowings	65.17	43.61	28.00	0.00
Balance by Equity and Internal Cash Accruals	119.81	70.66	295.19	295.19
<b>Incremental Working Capital through IPO Proceeds</b>				<b>209.23</b>



### Assumptions for working capital requirements

Particulars	No. of days outstanding or holding level as on March 31,		F.Y. 2016-17 No. of Days (Estimated)	F.Y. 2017-18 No. of Days (Estimated)	Justification for Holding
	F.Y. 2014-2015	F.Y. 2015-2016			
Raw Material	2.84	3.24	3.21	4.11	Estimate for 2017-18 is on the basis of past two years stocking period.
Finished Goods	3.50	4.46	5	5	Estimate for 2017-18 is on the basis of past two years stocking period.
Trade Receivables	150.24	147.79	150	150	Estimate for 2017-18 is on the basis of past two years outstanding Debtors.
Trade Payables	106.15	88.20	90	90	Estimate for 2017-18 is on the basis of assumption that average 90 days credit shall be given by the suppliers.

### 2) GENERAL CORPORATE PURPOSE :

The application of the Issue proceeds for general corporate purposes would include but not be 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. 45.00 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)		
Sr. No.	Particulars	Amount
1.	Payment to Merchant Banker including fees and reimbursements of Market Making Fees, selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Registrars, Bankers etc and other out of pocket expenses.	25.35
2.	Printing & Stationery and Postage Expenses	1.50
3.	Marketing and Advertisement Expenses	2.00
4.	Regulatory fees and other expenses	4.00
5.	Other Miscellaneous expenses	1.00
<b>Total</b>		<b>33.85</b>

### Schedule of Implementation

All funds raised through this issue, are proposed to be utilized in the F.Y. 2017-18 itself.

### Deployments of funds already deployed till date:

As certified by the Auditors of our Company, viz., M/s. P. D. Goinka & Co. Chartered Accountants vide its certificate dated March 28, 2017, the funds deployed upto March 27, 2017 towards the object of the Issue is NIL.



### Details of Fund Deployment

Sr. No.	Particulars	Object of the Issue	Amount spent upto March 27, 2017	₹ in Lacs)	
				F.Y. 2017-18	(March 27, 2017 onwards)
1)	Working Capital	209.23	NIL		209.23
2)	General Corporate Expenses	45.00	NIL		45.00
3)	Issue Expenses	33.85	NIL		33.85
	<b>Total</b>	<b>288.08</b>	<b>NIL</b>		<b>288.08</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 will not exceed ₹ 50,000 Lacs, the appointment of Monitoring Agency would not be required as per Regulation 16 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 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 pages 10 and 128, respectively, of the Draft Prospectus to get a more informed view before making the investment decision.

### Qualitative Factors

1. Vast experience with sound marketing and manufacturing knowledge
2. Prime Location of our Factories (Manufacturing Units)
3. Quality Assurance

For details of Qualitative factors please refer to the paragraph "Our Competitive Strengths" in the chapter titled "Business Overview" beginning on page 84 of the Draft Prospectus.

### Quantitative Factors

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

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

Period	Basic and Diluted EPS (₹)	Weight age
Fiscal 2014	0.21	1
Fiscal 2015	0.30	2
Fiscal 2016	0.37	3
<b>Weighted Average</b>	<b>0.32</b>	
<b>November 30, 2016*</b>	<b>1.25</b>	

\* Annualised

#### 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. Price to Earnings (P/E) ratio in relation to Issue Price of ₹ 26:

Particulars	P/E at the Issue Price (₹ 26)
a. Based on 2015-16 EPS of ₹ 0.37	70.92
b. Based on weighted average EPS of ₹ 0.32	81.81

#### 3. Return on Net Worth#

Period	Return on Net Worth (%)	Weights
Year ended March 31, 2014	2.91	1
Year ended March 31, 2015	3.72	2
<b>Year ended March 31, 2016</b>	<b>4.09</b>	<b>3</b>
<b>Weighted Average</b>	<b>3.77</b>	
<b>November 30, 2016*</b>	<b>6.95</b>	

\* Not annualized

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

- A. Minimum Return on Total Net Worth after issue need to maintain EPS at Rs. 0.37 (2015-16) = 2.38 %
- B. Minimum Return on Total Net Worth after issue need to maintain EPS at Rs. 0.32 (weighted) = 2.07 %



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

Particular	Amount (in ₹)
As of March 31, 2016	8.86
As of November 30, 2016	11.53
NAV per Equity Share after the Issue	15.38
Issue Price per Equity Share	26.00

**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.

#### 5. Comparison of Accounting Ratios with peer group

Name of the company	Standalone/ Consolidated	Face Value (₹)	EPS (₹) Basic	P/E Ratio	RoNW (%)	NAV per Equity Share (₹)	Sales (in Lakhs)
Yug Decor Limited	Standalone	10	0.37	70.92	4.09	8.86	1767.86
<b>Peer Group #</b>							
CHD Chemicals Ltd.	Standalone	10	0.52	19.12	4.49	11.61	4036.25
Yash Chemex Limited	Standalone	10	0.94	29.79	2.79	33.59	7138.08

## The EPS, P/E Ratio and NAV are after bonus issue of shares.

# The Figures of the peer Group companies are taken from the Annual reports for the FY 2015-16 filled on website i.e. [www.bseindia.com](http://www.bseindia.com)

P/E is based on the closing market price on BSE of respective scripts as on February 3, 2017.

6. The face value of Equity Shares of our Company is ₹ 10 per Equity Share and the Issue price is 2.6 times the face value.
7. The Issue Price of ₹ 26 is determined by our Company, in consultation with the Lead Manager is justified based on the above accounting ratios. For further details, please refer to the section titled "Risk Factors" and chapters titled "Our Business" and "Financial Information" beginning on page numbers 10, 84 and 128, respectively of the Draft Prospectus.



## STATEMENT OF POSSIBLE TAX BENEFITS

To,  
The Board of Directors,  
Yug Decor Limited  
1011, Sakar-5,  
B/H Natraj Cinema,  
Ashram Road,  
Ahmedabad - 380 009

Dear Sir,

### Initial Public Offer of Equity Shares

#### Tax Benefits

We refer to the proposed Initial Public Offer of Yug Decor Limited and give below the current position of tax benefits available to the Company and to its shareholders as per the provisions of the Income -Tax Act, 1961, for inclusion in Offer document for the proposed initial public issue.

The Benefits discussed in the statement are not exclusive. The current position of tax benefits available to the Company and to its Shareholders is provided for general information only. In view of the individual nature of tax benefits, each investor is advised to consult its own tax consultant with respect to the specific tax implications arising out of its participation in the issue.

Unless otherwise specified, sections referred to below are section of the Income Tax Act, 1961 (the "Act"). All the provisions set out below are subject to conditions specified in the respective section for the applicable period.

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

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

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

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

This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.



## SPECIAL SPECIFIC TAX BENEFITS OF THE COMPANY

There are no special specific tax benefits available to the Company.

### I. GENERAL TAX BENEFITS TO THE COMPANY (Under Income Tax Act)

1. In accordance with section 10(34), dividend income (referred to in section 115-O) will be exempt from tax.
2. In accordance with section 32(1), the Company can claim depreciation on specified tangible assets (being Building, Plant and Machinery, Furniture, Computer and vehicles) and intangible assets (being Knowhow, Copyrights, Patents, Trademarks, Licenses, Franchise or any other business or commercial rights of similar nature acquired on and after 1st April, 1998) owed by it and used for the purpose of its business.
3. In case of loss under the head "Profit and Gains from Business or Profession", it can be set-off with incomes of all heads except salary head and the excess loss after set-off can be carried forward for set-off with the business income of the next eight Assessment Years. The Following expenditure can be carried forwarded for unlimited life of the business of the Company
  - a) Unabsorbed depreciation
  - b) Unabsorbed capital expenditure on scientific research
  - c) Unabsorbed expenditure on Family planning expanses.
4. If the Company invest in the equity shares of another Company or in the unit of an equity oriented fund, as per the provisions of Section 10(38), any income arising from the transfer of long term capital assets being an equity share in the Company is not includable in the total income if the transaction is chargeable to securities transaction tax.

However, when the Company is liable to tax on book profits under section 115JB of the Act, the said income is required to be included in book profits and taken into account in computing the book profit tax payable under section 115JB.

5. Income received in respect of the units of mutual fund specified under clause 10(23D) or income received in respect of units from administrators of the specified undertaking or income received in respect of units from the specified Company is exempted from tax in the hands of the Company, under section 10(35) of I.T. Act.
6. In accordance with section 112, the tax on capital gains or transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:
  - o 20 percent (plus applicable surcharge and "Education Cess") of the capital gains as computed after indexation of the cost; or
  - o 10 percent (plus applicable surcharge and "Education Cess") of the capital gains as computed without indexation of the cost.
7. In accordance with Section 111A capital gains arising from the transfer of short term asset being an equity shares of the Company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be aggregate of
  - (i) the amount of income tax calculated on such terms capital gains at the rate of 15 percent (plus applicable surcharge and "Education Cess") and
  - (ii) the amount of income tax payable on balance amount of the total income as if such balance amount were the total income.
8. In accordance with section 35D, the Company is eligible for deduction in respect of specified preliminary expenditure incurred by the Company in connection with the present issue such as underwriting commission, brokerage, and other expenses or extension of its undertaking or in



connection with setting up a new unit for an amount equal to 1/5th of such expenses for each of the five successive previous years beginning with the previous year in which the extension of the undertaking is completed or the new unit commences production or operation, subject to conditions and limits specified in that section.

9. In accordance with section 35DDA, the company is eligible for deduction in respect of payments made to its employees in connection with their voluntary retirement for an amount equal to 1/5th of the amount so paid for that previous year, and the balance in four equal installments for each of the succeeding previous years subject to conditions specified in that section.
10. In accordance with section 35, the Company is eligible for Deduction in respect of any expenditure (not being in the nature of capital expenditure) on scientific research related to the business subject to conditions specified in that section.
  - As per section 35(2AA) a deduction of 200% shall be allowed as a deduction of the sum paid by the Company, to a National Laboratory or a University or an Indian Institute of Technology or a specified person as specified in this section with a specific direction that the sum shall be used for scientific research undertaken under a programme approved in this behalf by the specified authority subject to condition specified in that section.
11. The amount of tax paid under section 115JB by the Company for any assessment year beginning on or after April 1, 2006 will be available as credit for ten years succeeding the assessment year in which MAT credit becomes allowable in accordance with the provision of section 115JAA of the ACT.
12. As per the provision of section 80G of the Act, the deduction will be available in the respect of donations to various charitable institutions and funds covered under that section, subject to fulfillment of the conditions specified therein.
13. Under section 36(1) (xv) of the Act, the Securities Transaction Tax paid by the Company in respect of the transactions , the income whereof is chargeable as Business Income will be allowable as deduction against such income.

#### **SPECIAL TAX BENEFITS TO THE SHARE HOLDERS OF THE COMPANY**

Nil

#### **GENERAL TAX BENEFITS TO THE SHAREHOLDERS OF THE COMPANY**

##### **I. Under the Income Tax Act**

###### **A. Resident**

1. In accordance with section 10(34), divided income declared, distributed or paid by the company (referred to in section 115-O) on or April 1, 2003 will be exempt from tax in the hands of the shareholders. Any income by way of dividend in excess of Rs. 10 lakh shall be chargeable to tax in the case of an individual, Hindu undivided family (HUF) or a firm at the rate of ten percent. The taxation of dividend income in excess of ten lakh rupees shall be on gross basis.
2. In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includable in the total income if the transaction is chargeable to securities transaction tax.
3. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:
  - a) 20 percent (plus applicable surcharge and "Education Cess") of the capital gains as computed after indexation of the cost; or
  - b) 10 percent (plus applicable surcharge and "Education Cess") of the capital gains as computed without indexation.



4. In accordance with section 111A capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be the aggregate of (i) the amount of income tax calculated on such short term capital gain at the rate of 15 percent (plus application surcharge and "Education Cess") and (ii) the amount of income tax payable on the balance amount of the total income as if such balance amount were the total income.
5. In accordance with section 54EC, long term capital gains arising on transfer of the shares of the company on which securities transaction tax is not payable, shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long term specified asset. The long term specified asset notified for the purpose of investment means notified bonds of Rural Electrification Corporation Ltd. (REC) and National Highway Authority of India (NHA). Notification issued by Government of India specifies that no such bonds will be issued to a person exceeding Rs.50 Lacs. If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the company held by an individual or Hindu Undivided Family on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is utilized, with in a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years.

6. Under section 36(1)(xv) of the act. The securities Transaction Tax paid by the assessee in respect of the transactions, the income where of is chargeable as business Income, will be allowable as deduction against such income.

#### **B. Non -Residents**

- a. In accordance with section 10(34), dividend income declared, distributed or paid by the company (referred to in 115 - o) will be exempt from tax.
- b. In accordance with section 10 (38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to securities transaction tax.
- c. In accordance with section 48, capital gains arising out of transfer of a capital asset being in the company, and such transaction is not chargeable to securities transaction tax, shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilized in the purchase of the shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing/arising from every reinvestment their after and sale of shares or debentures of an Indian Company including the company.
- d. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be at the rate of 20% (plus applicable surcharge and "Education cess").
- e. In accordance with section 111A capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be aggregate of (i) the amount of income - tax calculated on such short term capital gains at the rate of 15 percent (plus applicable surcharge and "Education cess") and (ii) the amount of income - tax payable on the balance amount of the total income as if such balance amount were the total income.

f. In accordance with section 54EC , long term capital gains arising on transfer of the shares of the company on which securities transaction tax is not payable, shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long- term specified asset. The long- term specified asset notified for the purpose of investment is notified bonds of Rural Electrification Corporation Ltd (REC) and Nation Highways Authority of India (NHAI). Notification issued by Government of India specifies that no such bonds will be issued to a person exceeding ₹ 50 lacs.

If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

g. In accordance with section 54F, long- term capital gains arising on the transfer of the shares of the company held by an individual or Hindu Undivided Family on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is utilized, with in a period of one year before, or two year after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years.

h. Under section 36 (1) (xv) of the act, the amount of securities transaction tax paid by an assess in respect of taxable securities transactions offered to tax as “profits and gains of business or profession ”shall be allowable as a deduction against such business income.

i. Under the provisions of section 195 of the Income Tax act , any income (not being an income chargeable under the head ‘Salaries’), payable to non - residents, is subject to withholding tax as per the prescribed rate in force , subject to the tax treaty. Accordingly income tax may have to be deducted at source in the case of a non-resident at the rate under the domestic tax laws or under the tax treaty , whichever is beneficial to the assess unless a lower withholding tax certificate is obtained from the tax authorities .

j. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non - resident has fiscal domicile. As per the provisions of section 90(2) of the act, the provisions of the act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

### C. Non - Resident Indians

Further, a Non- Resident Indian has the option to be governed by the provisions of chapter xii-A of the Income – tax Act, According to which:

1. In accordance with section 115E, Where income includes income from investment or income from long-term capital gains or transfer of assets other than specified asset of the company, Investment Income shall be taxable at the rate of 20% (plus applicable surcharge and “Education Cess”) and income by way of long term capital gains in respect of assets other than a specified asset, shall be chargeable at 10% plus applicable surcharge and “Education Cess”)
2. In accordance with section 115F, subject to the conditions and to the extent specified therein, long - term capital gains arising from transfer of shares of the company acquired out of convertible foreign exchange, and on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is invested within six months of the date of transfer in any specified asset or any saving certificates referred to in clause 4B of section 10 of income tax act, 1961, subject to the conditions specified in that section.
3. In accordance with section 115G, it is not necessary for a Non – Resident Indian to file a return of income under section 139(1), if his total income consists only of investment income earned on shares of the company acquired out of convertible foreign exchange or/and income by way of long-term capital gains earned on transfer of shares of the company acquired out of convertible foreign



exchange, and the tax has been deducted at source from such income under the provisions of chapter xvii – B of the Income Tax Act.

4. In accordance with section 115-I, where a Non Resident Indian opts not to be governed by the provisions of chapter XII-A for any assessment year, his total income for that assessment year (including income arising from investment in the company) will be computed and tax will be charged according to other provisions of the Income Tax act.
5. As per section 115H of the Act, where a non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.

#### **D. Foreign Institutional Investors (FIIs)**

1. In accordance with section 10(34), dividend income declared, distributed or paid by the Company (referred to in section 115-O) on or after April 1, 2003 will be exempt from tax in the hands of Foreign Institutional Investor (FIIs).
2. As per section 10(38) of the Act, long term capital gains arising from the transfer of a long term capital asset being an equity share in a Company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax will be exempt.
3. As per provisions of section 115AD of the Act, income (other than income by way of dividends referred to Section 115 -O) received in respect of securities (other units referred to section 115 AB) is taxable at the rate of 20% (plus applicable surcharge and education cess).
4. As per provisions of section 115AD of the Act read with section 111 A of the Act, short term capital gains arising from the sale of Equity shares of the company transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and education cess).
5. As per section 115 AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the provisions of section 10(38) of the Act at the following rates :  
(a) Long term Capital Gains 10 %  
(b) Short term capital gains (other than referred to in section 111A) 30%  
\*(plus applicable surcharge and education cess)
6. In case of long term capital gains (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.
7. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any between India and the country in which the FII has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.
8. Under section 54 EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains (other than those exempt under section 10(38) of the Act) arising on the transfer of shares of the company would be exempt from tax if such capital gains are invested within six months after the date of such transfer in the bonds (long term specified assets) issued by:
  - I. National Highway Authority of India constituted under section 3 of the National Highway Authority of India Act, 1988;
  - II. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.



If only part of the capital gains is on reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gains. The cost of the long term specified assets, which has been considered under this section for calculating capital gains, shall not be allowed as a deduction from the income tax under section 80C of the Act.

#### **E. Mutual Funds**

In accordance with section 10(23D), any income of

- i. A mutual fund registered under the Securities and Exchange Board of India Act 1992 or regulations made there under;
- ii. Such other Mutual fund set up by a public sector bank or a public financial institutions or authorized by the Reserve Bank of India subject to such conditions as the Central government may, by notification in the Official Gazette, specify in this behalf will be exempt for income tax.

#### **Notes:**

1. All the above benefits are as per the current tax law as amended by the Finance Act, 2016 and will be available only to the sole/ first named holder in case the shares are held by joint holders.
2. In respect of non-residents, taxability of capital gains mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreements, if any, between India and the country in which the non-resident has fiscal domicile.
3. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor, with respect to specific tax consequences of his/her participation in the issue.
4. The above statement of possible direct and indirect taxes benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of Equity Shares.

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the offer document.

**For P. G. Goinka & Co.**  
**Chartered Accountants**  
**FRN: 103260W**

**CA Pankaj Goenka**  
(Partner)  
Membership No.: 110986

**Place:** Ahmedabad  
**Date:** 20th January, 2017



## SECTION V- ABOUT US

### INDUSTRY OVERVIEW

*The information contained in this section is derived from various government and other industry sources. Neither we nor any other person connected with the Issue has independently 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 that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information. All references to years refer to calendar years except as otherwise stated.*

#### Global Economic Overview

The global economy, after having grown by 2.6% in CY 2014 and showing signs of recovery, witnessed a slightly lower growth of 2.4% in CY 2015 amid slowdown in investments, declining oil prices, and geopolitical tensions. Growth in the emerging and developing economies slowed down from 4.2% in CY 2014 to 3.4% in CY 2015(estimated), owing to consolidation and rebalancing in China's economy and recession in Brazil and Russia. In CY2015, China grew 6.9% (compared to 7.3% in CY 2014), while the economies of Brazil and Russia registered negative growth figures of -3.8% and -3.7% respectively in CY 2015(estimated) from 0.1% and 0.7% respectively in CY2014. The growth rate in advanced economies improved to 1.8% in CY 2015(estimated) from 1.7% in CY 2014. Recovery in the euro area, which grew at 1.6% in CY 2015 compared to 0.9% in CY 2014, was offset by the shrinking economies of the United Kingdom (down to 2.3% from 3.1%) and Canada (down to 1.1% from 2.5%), even as the powerful US economy remained stable at 2.4% in CY 2014 and CY 2015. (Source: World Bank).

	CY 2013	CY 2014	CY 2015(E1)	CY 2016(E1)	CY 2017(P2)	CY 2018(P2)
	<b>2.4</b>	<b>2.6</b>	<b>2.4</b>	<b>2.4</b>	<b>2.8</b>	<b>3.0</b>
Advanced Economics	1.1	1.7	1.8	1.7	1.9	1.9
United States	1.5	2.4	2.4	1.9	2.2	2.1
Euro Area	-0.3	0.9	1.6	1.6	1.6	1.5
Japan	1.4	-0.1	0.6	0.5	0.5	0.7
Select emerging and developing economies	<b>4.7</b>	<b>4.7</b>	<b>3.4</b>	<b>3.5</b>	<b>4.4</b>	<b>4.7</b>
China	7.7	7.3	6.9	6.7	6.5	6.3
Indonesia	5.6	5.0	4.8	5.1	5.3	5.5
Brazil	3.0	0.1	-3.8	-4.0	-0.2	0.8
Russia	1.3	0.7	-3.7	-1.2	1.4	1.8
India	6.6	7.2	7.6	7.6	7.7	7.7

(Source: World Bank)

During CY 2016, sluggish growth in advanced economies, stubbornly low commodity prices, weak global trade, and diminishing capital flows has led to the World Bank reducing its global growth forecast from 2.9% to 2.4% for CY2016. Further, unfavorable demographics, lingering after-effects of the global financial crisis and low productivity weighed down some of these economies. The impact of Britain's exit from the European Union will be mostly felt in the European area with minimal impact on the global economy. Going forward, world GDP is expected to improve largely driven by the US economy and select emerging economies. (Source: CARE Report)

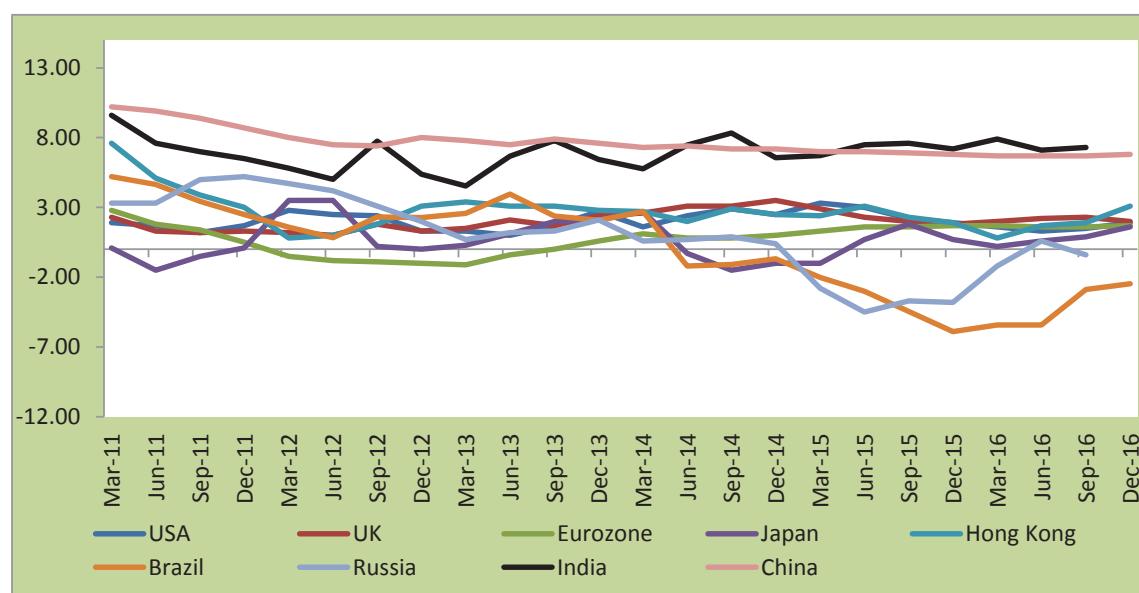
The services sector continued expanding at nominal rates, whereas the agriculture sector witnessed a marginal growth despite deficient rainfall. Government of India measures – thrust on 'Make in India';

improving infrastructure; commitment to fiscal targets; and focus on 'Start-up India' for boosting Indian G&J Industry entrepreneurship – are likely to create positive economic environment. Also, a forecast of above normal rainfall would drive higher growth in agriculture. With the aforesaid mentioned factors, the real GDP growth in India is expected to be 7.6% in Fiscal 2017.

(Source: RBI: Monetary Policy Report, Central Statistics Office)

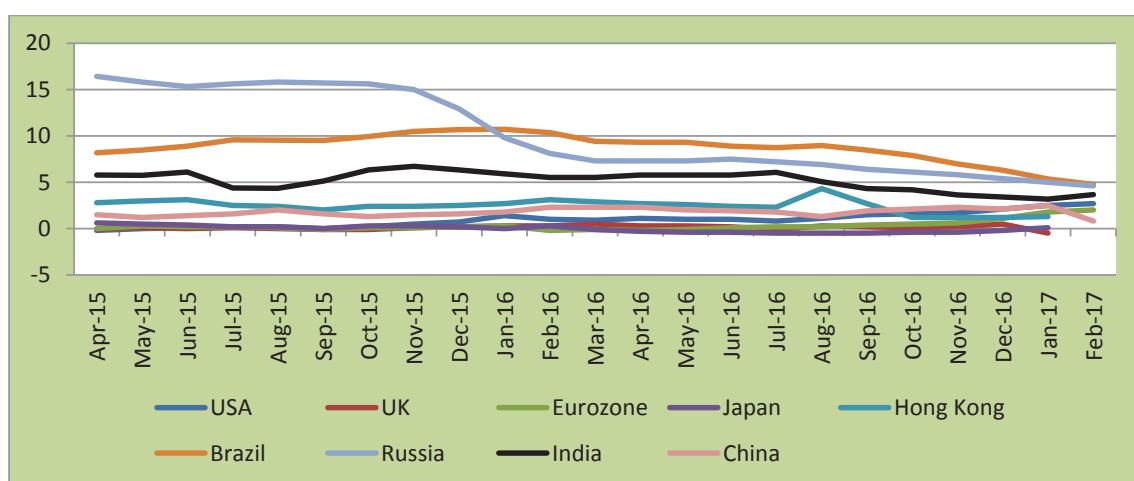
The OECD in its Interim Economic Outlook published during March 2017, projected that the Global economic growth may pick up modestly to 3.3 percent in 2017 and to 3.6 percent in 2018. However, downside risks of rising protectionism, financial vulnerabilities, volatility from divergent interest rate paths and disconnects between market valuations and real activity may spoil the outlook. OECD in the said report has observed that although confidence has improved, consumption, investment, trade and productivity are far from strong, with growth slow by past norms and higher inequality.

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



Source: Bloomberg

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



Source: Bloomberg

Real GDP growth in the first half of the year was 7.2 percent, on the weaker side of the 7.0-7.75 per cent projection in the Economic Survey 2015-16 and somewhat lower than the 7.6 percent rate recorded in the second half of 2015-16 (Figure 1a). The main problem was fixed investment, which declined sharply as stressed balance sheets in the corporate sector continued to take a toll on firms' spending plans. The major highlights of the sectoral growth outcome of the first half of 2016-17 were: (i) moderation in industrial and nongovernment service sectors; (ii) the modest pick-up in agricultural growth on the back of improved monsoon; and (iii) strong growth in public administration and defence services—dampeners on and catalysts to growth almost balancing each other and producing a real Gross Value Addition (GVA) growth (7.2 per cent), quite similar to the one (7.1 per cent) in 2015-16.

## Introduction

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

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

India's Consumer Confidence score in the April-June 2016 quarter declined to 128 from the high of 134 in the January-March 2016 quarter. India was ranked the highest globally in terms of consumer confidence during October-December quarter of 2015, continuing its earlier trend of being ranked the highest during first three quarters of 2015, as per the global consumer confidence index created by Nielsen.

## Market size

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

According to Fitch Ratings Agency, India's Gross Domestic Product (GDP) will likely grow by 7.7 per cent in FY 2016-17 and slowly accelerate to 8 per cent by FY 2018-19, driven by the gradual implementation of structural reforms, higher disposable income and improvement in economic activity.

According to Mr. Arun Singh, Indian Ambassador to the US, the Indian pharmaceutical market is expected to grow to US\$ 55 billion by 2020, thereby emerging as the sixth largest pharmaceutical market globally by absolute size.

India's foreign exchange reserves stood at US\$ 360 billion by end of March 2016, as compared with US\$ 342 billion at same time last year, according to data from the Reserve Bank of India (RBI).

According to a report by the rating agency ICRA Limited, the Indian securitisation market increased by 45 per cent year-on-year to Rs. 25,000 crore (US\$ 3.7 billion) in FY 2016, primarily due to the increased number of asset-backed securitisation (ABS) transactions.

The steps taken by the government in recent times have shown positive results as India's gross domestic product (GDP) at factor cost at constant (2011-12) prices 2014-15 is Rs. 106.4 trillion (US\$ 1.58 trillion), as against Rs. 99.21 trillion (US\$ 1.47 trillion) in 2013-14, registering a growth rate of 7.3 per cent. The

economic activities which witnessed significant growth were 'financing, insurance, real estate and business services' at 11.5 per cent and 'trade, hotels, transport, communication services' at 10.7 per cent.

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

### **Recent Developments**

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

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

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

### **Government Initiatives**

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

Currently, the manufacturing sector in India contributes over 15 per cent of the GDP. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the

manufacturing sector and aims to take it up to 25 per cent of the GDP. Following the government's initiatives several plans for investment have been undertaken which are as follows:

- The Government of India has certified 20 private organisations as incubators under the Startup India Action Plan, which is expected to promote entrepreneurship, provide pre-incubation training and a seed fund for high growth start-ups in the country.
- The Government of India aims to improve its ease of doing business ranking from 130 at present to within the top 100 by 2016 and the top 50 by 2017, based on reforms undertaken in areas like construction permits, enforcing contracts and starting business, especially by top cities such as Mumbai and Delhi.
- The Government of India has successfully completed the double taxation avoidance agreement (DTAA) negotiations with the Government of Cyprus, which is expected to further develop the trade and economic links between the two countries.
- The Union cabinet has approved the establishment of a Fund of Funds for Startups (FFS) at Small Industries Development Bank of India (SIDBI), with a corpus of Rs 10,000 crore (US\$ 1.48 billion), which would extend funding support to start-ups and encourage entrepreneurship in the country.
- The Ministry of Commerce and Industry plans to establish India as a hub for world class designing by setting up four National Institute of Design (NIDs) across the country, aimed at providing skills to empower India's human capital towards world class designing.
- The Government of India is preparing a new National Mineral Exploration Policy (NMEP), aimed at augmenting mineral production in the country by allowing private companies, including foreign companies, to participate in mine exploration.
- The Union Cabinet has approved the introduction of several short term (within one year) and medium term measures (within two years) to be implemented by government ministries, departments and organisations for promotion of payments through cards and digital means, and to reduce cash transactions.
- Government of India has prioritised sustainability as the key aspect of India's development. To achieve this, the government aims to encourage education, skill development, digital connectivity and entrepreneurship in a sustainable manner.
- Prime Minister Mr. Narendra Modi announced at the International Monetary Fund (IMF) conference on 'Advancing Asia: Investing for the Future' in New Delhi that the government will continue to bring in new reforms for transforming economy without resorting to undervaluing its exchange rate to boost trade.
- The Government of India plans to build five new railway links with Nepal, which will boost India's economic links with its neighboring country and promote growth, employment and prosperity in the region.
- India has signed a loan agreement worth US\$ 35 million with the World Bank for Madhya Pradesh Citizen Access to Responsive Services Project which aims to improve access and quality of public services in Madhya Pradesh through implementation of the 2010 Public Service Delivery Guarantee Act.
- The Cabinet Committee of Economic Affairs (CCEA) has approved the allocation of coal linkages for non-regulated sectors such as cement, steel, sponge iron, aluminum and others, through the route of e-auction to be conducted in April 2016, which is expected to bring in transparency in allotment process and ensure all market participants have a fair opportunity to secure coal for their operations.
- Government of India plans to create a National Investment Grid to map business opportunities across the country which will make it easier for investors, especially domestic investors, to access and explore investment opportunities.
- Prime Minister, Mr. Narendra Modi, launched the Start-up India initiative and unveiled the Start-up Action Plan which includes creation of a dedicated Start-up fund worth Rs. 10,000 crore (US\$ 1.48 billion) apart from other incentives like no tax on profits for first three years and relaxed labour laws.
- British telecom giant Vodafone, India's second largest telecom operator, plans to invest over Rs. 13,000 crore (US\$ 1.93 billion) in India, to upgrade and expand its network and also for its payments bank operations.

- Chinese smartphone handset maker, Vivo, has set up an assembly unit in India at Greater Noida which will initially manufacture 150,000 smartphone units a month, to produce three smartphone models, namely Y11, Y21 and Y15S.
- Foxconn Technology group, Taiwan's electronics manufacturer, is planning to manufacture Apple iPhones in India. Besides, Foxconn aims to establish 10-12 facilities in India including data centers and factories by 2020.

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

- The Government of India has launched a digital employment exchange which will allow the industrial enterprises to find suitable workers and the job-seekers to find employment. The core purpose of the initiative is to strengthen the communication between the stakeholders and to improve the efficiencies in service delivery in the MSME ministry. According to officials at the MSME ministry over 200,000 people have so far registered on the website.
- The Ministry of Human Resource Development recently launched Kendriya Vidyalaya Sangathan's (KVS) e-initiative 'KV ShaalaDarpan' aimed at providing information about students electronically on a single platform. The program is a step towards realising Digital India and will depict good governance.
- The Government of India announced that all the major tourist spots like Sarnath, Bodhgaya and Taj Mahal will have a Wi-Fi facility as part of digital India initiative. Besides, the Government has started providing free Wi-Fi service at Varanasi ghats.

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

### Road Ahead

The International Monetary Fund (IMF) and the Moody's Investors Service have forecasted that India will witness a GDP growth rate of 7.5 per cent in 2016, due to improved investor confidence, lower food prices and better policy reforms. Besides, according to the World Bank, the Indian economy will likely grow at 7.6 per cent in 2016-17, followed by further acceleration to 7.7 per cent in 2017-18 and 7.8 per cent in 2018-19.

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

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

Exchange Rate Used: INR 1 = US\$ 0.0149 as on September 02, 2016

<https://www.ibef.org/economy/indiasnapshot/about-india-at-a-glance>

**GDP growth in 2017-18 is projected at 6 ¾ to 7 ½ percent Post-demonetisation.**

**New Delhi:** The Government says that the adverse impact of demonetisation on GDP growth will be transitional. The Economic Survey 2017 presented in Parliament by

the union Finance Minister, Shri. Arun Jaitley states that once the cash supply is replenished, which is likely to be achieved by end March 2017, the economy would revert to the normal. Therefore the real GDP growth in 2017-18 is projected to be in the range of 6¾-7½ percent.

The Economic Survey points out that demonetisation will have both short-term costs and long-term benefits as detailed in the attached table. Briefly, the costs include a contraction in cash money supply and subsequent, albeit temporary, slowdown in GDP growth; and benefits include increased digitalization, greater tax compliance and a reduction in real estate prices, which could increase long-run tax revenue collections and GDP growth.

On the benefits side, early evidence suggests that digitalization has increased since demonetisation. On the cost side, effective cash in circulation fell sharply although by much less than commonly believed – a peak of 35 percent in December, rather than 62 percent in November since many of the old high denomination notes continued to be used for transactions in the weeks after 8th November. Additionally, remonetisation will ensure that the cash squeeze is eliminated by April 2017. The cash squeeze in the meantime will have significant implications for GDP, reducing 2016-17 growth by  $\frac{1}{4}$  to  $\frac{1}{2}$  percentage points compared to the baseline of 7 percent. Recorded GDP will understate impact on informal sector because, for example, informal manufacturing is estimated using formal sector indicators (Index of Industrial Production). These contractionary effects will dissipate by year-end when currency in circulation should once again be in line with estimated demand, which would also allow growth to converge to a trend by FY 2017-18.

The Economic Survey states that the weighted average price of real estate in eight major cities which was already on a declining trend fell further after November 8, 2016 with the announcement of demonetization. It goes on to add that an equilibrium reduction in real estate prices is desirable as it will lead to affordable housing for the middle class and facilitate labour mobility across India currently impeded by high and unaffordable rents.

The Survey suggests a few measures to maximize long-term benefits and minimize short-term costs. One, fast remonetisation and especially, free convertibility of cash to deposits including through early elimination of withdrawal limits. This would reduce the GDP growth deceleration and cash hoarding. Two, continued impetus to digitalization while ensuring that this transition is gradual, inclusive, based on incentives rather than controls and appropriately balancing the costs and benefits of cash versus digitalization. Three, following up demonetisation by bringing land and real estate into the GST. Four, reducing tax rates and stamp duties. And finally, an improved tax system could promote greater income declaration and dispel fears of over-zealous tax administration.

### Impact of Demonetisation

Sector	Impact	
	Effect through end-December	Likely longer-term effect
Money/interest rates	Cash declined sharply	Cash will recover but settle at a lower level
	Bank deposits increased sharply	Deposits will decline, but probably settle at a slightly higher level
	RBI's balance sheet largely unchanged: return of currency reduced the central bank's cash liabilities but increased its deposit liabilities to commercial banks	RBI's balance sheet will shrink, after the deadline for redeeming outstanding notes
	Interest rates on deposits, loans, and government securities declined; implicit rate on cash increased	Loan rates could fall further, if much of the deposit increase proves durable
Financial System Savings	Increased	Increase, to the extent that the cash-deposit ratio falls permanently
Corruption (underlying illicit activities)		Could decline, if incentives for compliance improve

<i>Unaccounted income/black money (underlying activity may or may not be illicit)</i>	Stock of black money fell, as some holders came into the tax net	Formalization should reduce the flow of unaccounted income
<i>Private Wealth</i>	Private sector wealth declined, since some high denomination notes were not returned and real estate prices fell	Wealth could fall further, if real estate prices continue to decline
<i>Public Sector Wealth</i>	No effect.	Government/RBI's wealth will increase when unreturned cash is extinguished, reducing liabilities
<i>Formalization/ digitilisation</i>	Digital transactions amongst new users (RuPay/ AEPS) increased sharply; existing users' transactions increased in line with historical trend	Some return to cash as supply normalises, but the now-launched digital revolution will continue
<i>Real estate</i>	Prices declined, as wealth fell while cash shortages impeded transactions	Prices could fall further as investing undeclared income in real estate becomes more difficult; but tax component could rise, especially if GST imposed on real estate
<i>Broader economy</i>	Job losses, decline in farm incomes, social disruption, especially in cash-intensive sectors	Should gradually stabilize as the economy is remonetized
<i>GDP</i>	Growth slowed, as demonetisation reduced demand (cash, private wealth), supply (reduced liquidity and working capital, and disrupted supply chains), and increased uncertainty	Could be beneficial in the long run if formalization increases and corruption falls
	<p>Cash-intensive sectors (agriculture, real estate, jewellery) were affected more. Recorded GDP will underestimate impact on informal sector because informal manufacturing is estimated using formal sector indicators (Index of Industrial Production).</p> <p>But over time as the economy becomes more formalized the underestimation will decline.</p> <p>Recorded GDP will also be overstated because banking sector value added is based (<i>inter alia</i>) on deposits which have surged temporarily</p>	Informal output could decline but recorded GDP would increase as the economy becomes more formalized
<i>Tax collection</i>	Income taxes rose because of increased disclosure. Payments to local bodies and discoms increased because demonetised notes remained legal tender for tax payments/clearances of arrears	Indirect and corporate taxes could decline, to the extent growth slows. Over long run, taxes should increase as formalization expands and compliance improves
<i>Uncertainty/ Credibility</i>	<p>Uncertainty increased, as firms and households were unsure of the economic impact and implications for future policy</p> <p>Investment decisions and durable goods purchases postponed</p>	Credibility will be strengthened if demonetisation is accompanied by complementary measures. Early and full remonetisation essential. Tax arbitrariness and harassment could attenuate credibility

<https://www.ibef.org/research/reports/gdp-growth-in-2017-18-is-projected-at-6-to-7-percent-post-demonetisation>

## EXPORTS

### Introduction

Basic chemicals and their related products (petrochemicals, fertilisers, paints, varnishes, glass, perfumes, toiletries, pharmaceuticals, etc.) constitute a significant part of the Indian economy. Among the most diversified industrial sectors, chemicals cover an array of more than 70,000 commercial products. In 2015-16, total Foreign Direct Investments (FDI) in chemicals (excluding fertilisers) stood at US\$ 1.47 billion whereas cumulative FDI till March 2016 from April 2000 was US\$ 11.9 billion.

India is the seventh largest producer of chemicals globally and third largest producer in Asia in terms of output. The country ranks fourth globally in the production of agro chemicals and contributes around 15 per cent to the global dyestuff and dye intermediates production.

### Key Markets and Export Destinations

Total exports of dyes and dye intermediates, organic and inorganic chemicals, including agro chemicals, cosmetics and toiletries, essential oils, incense sticks and castor oil, stood at US\$ 3.8 billion in April-July 2016.

The US, the UAE, the UK, Bangladesh and Saudi Arabia are the leading importers of cosmetics, toiletries and essential oils.

Over April-July 2016, exports of dyes and dye intermediates increased 1.1 and 16.2 per cent year-on-year to US\$ 657.8 billion and US\$ 56.12 billion respectively. During the period, exports of essential oils increased 2.9 per cent to US\$ 35.3 million and that of castor oil improved 8.3 per cent to US\$ 220.12 million. Exports of inorganic, organic and agro chemicals stood at US\$ 213.6 million, US\$ 1.5 billion and US\$ 626.6 million respectively.

### Basic Chemicals, Pharmaceuticals and Cosmetics Export Promotion Council

The promotion of product groups such as dyes and dye intermediates, basic inorganic and organic chemicals, including agro-chemicals, cosmetics, toiletries, essential oils, incense sticks, castor oil and its derivatives, is handled by the Basic Chemicals, Pharmaceuticals and Cosmetics Export Promotion Council, which is popularly known as CHEMEXCIL. The Council organises promotional events and fairs to help exporters identify potential markets abroad and providing publicity and marketing back-up.

Total export for chemicals stood at US\$ 3.8 billion in April-July 2016, growing by 1.7 per cent Y-o-Y

### Source: Basic Chemicals, Pharmaceuticals and Cosmetics Export Promotion Council

### Key Domestic and International Players in Indian Chemical Industry

- French specialty chemicals major, Arkema, plans to invest USD 15 million for setting up a new polyester powder resin manufacturing facility, the first of its kind in India.
- As of October 2016, industrial chemicals manufacturer, Thirumalai Chemicals Ltd., plans to enhance its production capacity of phthalic anhydride and fine chemicals in India.
- The investment expo in the Odisha, organised on 2nd December, 2016, ended with investment promises worth USD 29.87 billion and 1.4 lakh jobs for the state in 10 sectors, including chemicals.

German chemical company, BASF, revealed plans to setup its 1st manufacturing plant in Myanmar in 2017, in order to meet the growing demand for construction chemicals. The new plant will be designed specifically to manufacture customized construction chemical solutions for the local building market.

KBR, a US based firm, secured a deal to modernise MCF's (Mangalore Chemical & Fertilizers) ammonia plant in Panambur, Mangalore, to improve energy efficiency of the plant, by providing its new ammonia technology.

<https://www.ibef.org/>

### Union Budget for Chemical Sector

The key economic factors as per budget are following:

- Recommended 3% fiscal deficit for three years with deviation of 0.5% of GDP.
- Revenue deficit - 1.9 %
- Pegged fiscal deficit of 2017-18 at 3.2% of GDP and remain committed to achieving 3% in the next year.
- Foreign exchange reserves have reached 361 billion US Dollars as on 20th January, 2017

### List of provisions in Union Budget 2017-18 from exports and chemicals perspective

#### Ø Customs Duty:

There is no change in the peak rate of BCD; however, changes in Customs duty have been made to address the problem of duty inversions in certain sectors. The changes related to chemical sector are as under-

S1. No.	Chemicals & Petrochemicals	HS Code	Existing Duty	Proposed Duty
1.	o-Xylene	29024100	BCD - 2.5%	BCD - Nil
2.	2-Ethyl Anthraquinone for use in manufacture of hydrogen peroxide, subject to actual user condition.	29146990	BCD - 7.5%	BCD - 2.5%
3.	Vinyl Polyethylene Glycol (VPEG) for use in manufacture of Poly Carboxylate Ether, subject to actual user condition	34042000	BCD - 10%	BCD - 7.5%
4.	Medium Quality Terephthalic Acid (MTA) & Qualified Terephthalic Acid (QTA)	29173600	BCD - 7.5%	BCD - 5%
5.	Liquefied Natural Gas	27111100	BCD - 5%	BCD - 2.5%
6.	Catalyst for use in the manufacture of cast components of Wind Operated Electricity Generator [WOEG], subject to actual user condition	38159000	BCD - 7.5%	BCD - 5% SAD- exempted

#### Ø Central Excise Duty

There is no change in the peak rate of Excise Duty of 12.5%. However, amendments have been made to specific tariff rates in various sectors by exemption notifications.



Further, there is a clarification in TRU circular on **Concessional / Nil rate of duty on inputs for EOU**s otherwise available to DTA manufacturers. It has been clarified that the exemptions available to DTA manufacturers on raw materials and inputs at concessional or Nil rate of BCD, excise duty / CVD or SAD are also available to EOU manufacturers, subject to the fulfilment of conditions.

#### Ø Service Tax

The effective rate of service tax has been left unchanged at 15% (including Swachh Bharat Cess and Krishi Kalyan Cess).

#### Ø Amendments in HS Codes (without change of Duty)

- A new tariff line 1511 90 30 added for "Refined bleached deodorised palm stearin"
- Stearic Acid HS code 38231111 has been changed to 38231190

#### Ø Procedural Changes/ Important amendments related to CBEC

##### • Time limit for filing of bill of entry:

Sub-section (3) of Section 46 is proposed to be substituted to provide for filing of bill of entry before the end of the next day following the day on which the aircraft or vessel or vehicle carrying the goods arrives at a customs station at which such goods are to be cleared for home consumption or warehousing. If the bill of entry is not presented within the time prescribed and there is no sufficient cause for delay, the importer will be liable to pay charges for late presentation. There is no time limit prescribed at present.

##### • Time limit for payment of customs duty

Sub-section (2) of Section 47 is proposed to be amended to provide that the importer shall pay the duty on the date of presentation of the bill of entry in the case of self-assessment or within one day from the date on which the bill of entry is returned to him by the proper officer in the case of assessment, reassessment or provisional assessment or in the case of deferred payment, from such due date as may be specified. On failure to do so, the importer will be liable to pay interest on duty not paid at a rate not less than 10% and not exceeding 36% as notified by the Government. At present, the importer is liable to pay duty within two days from the date on which the bill of entry is returned to him for payment.

##### • Storage of imported goods permitted for warehousing

Section 49 is proposed to be substituted to extend the facility of storage to imported goods entered for warehousing in a public warehouse, before their removal. In terms of the present provision, the facility of storage of imported goods is only for goods intended for home consumption

#### Other important Budgetary provisions for MSME/ Exports/ Infrastructure

Ø Corporate tax: In order to make **MSME companies** more viable, it is proposed to reduce tax for small companies of turnover of up to Rs 50 crore to 25 %. This will reduce their tax liabilities.

Ø A new and restructured Central scheme namely, **Trade Infrastructure for Export Scheme (TIES)** will be launched to boost export infrastructure in states which also improve logistics and reduce transaction costs of exports.

Ø For transportation sector as a whole, including rail, roads, shipping, budget has provided 2,41,387 crores in 2017-18 which will spur an entire spectrum of economic activity.



## 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 10 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

Our Company was incorporated as Yug Adhesive Private Limited under the provision of the Companies Act, 1956 vide certificate of incorporation dated June 23, 2003 issued by the Asstt. Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Later on, the name of company was changed to Yug Décor Private Limited and fresh certificate of incorporation dated December 7, 2004 was issued by the Registrar of Companies, Gujarat. Consequent upon the conversion of our Company into public limited company, the name of our Company was changed to Yug Decor Limited and fresh certificate of incorporation dated September 14, 2016 was issued by the Deputy ROC, Registrar of Companies, Ahmedabad Gujarat. The Corporate Identification Number of our Company is U24295GJ2003PLC042531.

Our Company was incorporated in the year 2003, initially for a period of 3 years, our Company was engaged in mere trading of Laminates and plywood. In the year 2006, our Company had buy out manufacturing Unit (Unit I) of Water Based Adhesive and also commence the activity of and Rubber Solution/ Adhesive i.e. PVA Based Adhesive, PVA Based Binder, Resin Solution and Rubber Adhesives for wood and footwear industry at Santej and due to which top line of our company was increased to the level of ₹391.69 Lacs and our PBDT was more than doubled to ₹6.56 Lacs and net profit after tax has increased to ₹1.50 Lacs i.e. by 73.2%.

During the span of 2007-2010, additional Equity Share capital of ₹46.78 Lacs was pumped in the company and started concentrating mainly on manufacturing business activities and slowing down to trading business with a vision to concentrate more on manufacturing and marketing of adhesive and rubber based products and strengthening on its own brand. Turnover of manufacturing business increased to ₹724.48 Lacs from ₹80.73 Lacs in the year 2007-2010. The Company expanded its dealer network and augmenting relationships across channels besides launching value added products.

In the year 2010, our company has acquired the factory premises namely Manufacturing Unit II on lease basis situated at Plot No: 734/3, Opp. Nilkanth Hotel, Rakanpur, Tal: Kalol, Dist: Gandhinagar to segregate the manufacture of Rubber Solution/ Adhesive activities from the Unit I. Our company has also started export sales of PVA Based Adhesive to Ethiopia (INR 5.01 Lacs).

During the year 2013-16 new products were added to the basket of manufacturing activity i.e. Lai (Starch Based Solution), Surface Coating: Melamine and Magic Touch, Paints: Distemper, Cement Primer/Wall Primer, Emulsion, Enamel including Automotive Paints. After having strong foothold in the manufacturing of various water and solvent based chemicals/adhesives, In the year 2016, our company has acquired factory premises namely Manufacturing Unit III on lease basis situated at Plot No: 734/7, Opp. Nilkanth Hotel, Rakanpur, Tal: Kalol, Dist: Gandhinagar to undertake the manufacturing activities of paints and finishes.

The company has received the amended consolidated consent from GPCB vide amended order no. AWH-84044 dated January 27, 2017 for manufacturing of PVA Based Adhesive, PVA Based binder and Lai (Starch based solution) upto total quantity of 50MT/Month, 10MT/Month and 90MT/Month respectively which is valid upto December 27, 2021.



Our Company has shown robust growth during the last five financial years. The breakup of manufacturing, and Export Incentive/Services income, Other Income and the improvement in top line and bottom line is explained below:

Particulars	FY 2015-16	FY 2014-15	FY 2013-14	FY 2012-13	FY 2011-12
<b>Revenue from operations</b>					
Manufacturing	1475.44	1,513.92	1,311.08	1,254.34	1,208.34
Trading	288.52	119.51	120.87	120.66	73.01
Export Incentive/Services	3.55	33.53	52.12	41.22	23.09
<b>Total</b>	<b>1767.51</b>	<b>1666.96</b>	<b>1484.07</b>	<b>1416.22</b>	<b>1304.44</b>
Other Income	0.35	1.84	2.81	4.36	0.61
<b>Total Revenue</b>	<b>1,767.86</b>	<b>1,668.80</b>	<b>1,486.88</b>	<b>1,420.58</b>	<b>1,305.05</b>
<b>Profit Before Tax</b>	<b>12.65</b>	<b>8.53</b>	<b>6.41</b>	<b>6.17</b>	<b>5.03</b>

### Our competitive strength

#### Vast experience with sound marketing and manufacturing knowledge

Since June 2003, our individual promoter and director Mr. Santosh kumar Saraswat have been initially for a period of three years involved in the trading of Adhesive, Laminates and plywood. Thereafter in the year 2006 our company commenced manufacturing of various water and solvent based Adhesive chemicals used in wood-working applications- Furniture Industry, Plywood Industry, Handicrafts, paper and paper products, and textile Industry. Foam to Foam Application -Footwear and Carpet Industry, Laminates and Plywood bonding, Exterior Paint Industry, Automotive Industry.

Mr. Chandresh Saraswat is having more than 12 years of experience in the field of marketing with the different companies engaged in the business of timber, ply boards, packaging company. He joined the company in the year 2007 as Managing director of the company. At present, he is having more than 10 Years of experience in field of marketing and manufacturing of Chemical/ Adhesive Industry.

We benefit from the experience of the individual Promoters-Directors and core management team which has enabled us to successfully implement our growth strategies.

#### Prime Location of our Factories (Manufacturing Units)

The factory is located in Santej Industrial Area and Rakanpur Industrial area of Kalol. In Kalol numbers of industrial units are established. The location near by Kalol is Chatral which is Industrial zone. In this area all the infrastructure facilities such as power supply, roads, water supply etc are developed and provided by governments/Local Authorities. All the benefits of infrastructure facilities developed by Government/Local Authorities are reaped by our company.

Kalol enjoys the good connectivity through National Highway roads and railway, which makes the movements of the raw-material as well as finished goods easy and comfortable. Thus it helps in smooth procurement of raw material and dispatch of finished goods to our various customers situated on PAN India basis.

#### Quality Assurance

We have in-house laboratory in our factory which keeps a track of quality control of our products. All products which are dispatched from the factory premises are inspected by the 2 authorized officials



heading the dispatch department. Further, quality check is done at every stage of manufacturing to ensure the adherence to desired specifications. Since, our Company is dedicated towards quality of products, processes and inputs; we get repetitive orders from our buyers, as we are capable of meeting their quality standards, which enables them to maintain their brand image in the market. Majority of our products are registered under Trademark Act, 1999. The details of our products registered under Trademark are as follows:

### Intellectual Property Rights

As on date of the Draft prospectus the details of Intellectual Property Rights for various products of our Company under Trade Mark Act, 1999 in name of our Company are as follows:

Sr. No.	Authority Granting Approval	Approval/ Registration No.	Applicable Laws	Nature Of Approvals	Validity
1.	Registrar of Trade Marks	Trade Mark No.: 1509334 Label "SUPERJOR"	Trade Marks Act,1999	Certificate of Registration of Trade Mark "SUPERJOER"	Valid up to December 1, 2026.
2.	Registrar of Trade Marks	Trade Mark No.: 1497704 Label "YUGCOL"	Trade Marks Act,1999	Certificate of Registration of Trade Mark "YUGCOL"	Valid up to October 19, 2026.
3.	Registrar of Trade Marks	Trade Mark No.:1266161 Label "GOLD BOND" 	Trade Marks Act,1999	Certificate of Registration of Trade Mark "GOLD BOND"	Valid up to February 11, 2024.
4.	Registrar of Trade Marks	Trade Mark No.: 1221985 Label "BISON BOND EC" 	Trade Marks Act,1999	Certificate of Registration of Trade Mark "BISON BOND"	Valid up to August 11, 2023.
5.	Registrar of Trade Marks	Trade Mark No.: 1219055 Label "BISON BOND"	Trade Marks Act,1999	Certificate of Registration of Trade Mark "YUG"	Valid up to July 31, 2023.
6.	Registrar of Trade Marks	Trade Mark No.: 2008504 Label "WOODGLUE""	Trade Marks Act,1999	Certificate of Registration of Trade Mark "WOODGLUE"	Valid up to August 13, 2020.
7.	Registrar of Trade Marks	Trade Mark No.: 1623105 Label "BLUE BOND"	Trade Marks Act,1999	Certificate of Registration of Trade Mark "BLUE BOND"	Valid up to March 11, 2016.
8.	Registrar of Trade Marks	Trade Mark No.: 3268178 Label "HEATPROPLUS"	Trade Marks Act, 1999	Certificate of Registration of Trade Mark "HEATPROPLUS"	Applied for Registration on May 25, 2016.
9.	Registrar of Trade Marks	Trade Mark No.: 3294721 Label "SPEEDO CAR FINISH"	Trade Marks Act,1999	Certificate of Registration of Trade Mark "SPEEDO CAR FINISH"	Applied for Registration on June 24, 2016.



All the approvals/Licenses/Registration is in name of Yug Decor Private Limited, company is taking necessary steps to get the same in the name of Yug Decor Limited.

## SWOT Analysis

<b>Strength</b> <ul style="list-style-type: none"><li>✓ The Promoters have been involved in the Adhesive, Laminates, and plywood business since January 2003 and in manufacturing of Water and Solvent Based Adhesive since 2006.</li><li>✓ All the departments of the Company are professionally driven and managed by professionals.</li><li>✓ Company is having vide channel of distribution network spread over PAN India basis and having long term relationship with the Customers.</li><li>✓ In-house laboratory in our factory which keeps a track of quality control of our products.</li><li>✓ The Factory is located in Santej in Kalol and thus enjoys excellent connectivity and reaps the Infrastructure facility of Government/Local Authorities.</li></ul>	<b>Weakness</b> <ul style="list-style-type: none"><li>✓ Strict Environmental policies and controls may pose real hurdle to the development of chemical based project.</li><li>✓ The public image of the Chemical Industry is evaluated by chemical producers as a big barrier, because people are still afraid of hazardous chemicals in their neighborhood.</li></ul>
<b>Opportunity</b> <ul style="list-style-type: none"><li>✓ Despite the current critical financial and economic hurdles, the expected positive long term economic development and the increasing freight transport volumes all constitute an opportunity for the growth and the further development of most of the chemical enterprises. This can be an important contribution to the stabilization of markets and the improvement of customer satisfaction.</li></ul>	<b>Threat</b> <ul style="list-style-type: none"><li>✓ Our Company has to face severe competition from other Corporate established in same sector in which we are having less brand image in compare to other peer group organized companies.</li></ul>

## Our Business Strategy

### 1. Increase the Operational Capacity Utilization

At present we operate at approx. range between 30% to 70% of our installed capacity. To meet the customers demand we need to increase our operational production capacity. Currently we are utilizing our working capital facility at the optimum level and in order to increase the operational production capacity we need to pump the additional working capital. The enhanced operational production capacity will aid our Company in establishing market leadership, increase more customers and also brand value of our products.

### 2. Maintain and expand long-term relationships with suppliers and customers

Our Company maintains long term relationship with supplier and we have distributor dealer network on PAN India basis. Our Company believes that a long-term client relationship with customers fetches better results and this enables the company to explore the new customers based. It forms basis of further expansion for our Company, as we are able to monitor a potential product/ market closely on day to day basis.



### 3. Competitive Pricing

As we are having long term relationship with majority of our suppliers and hence we avail the benefit of quality products as well as competitive price along with a credit period of generally 88-106 days. We also import quality raw material from various countries at good competitive rate which helps us to control the cost of production and as a result we enable to offer our products at most competitive rate to our customers and due to which we remain aggressive and capitalize a good market share. This helps us to sustain in the competition, claim a position of strength in the marketplace and increase brand value of our products.

### 4. Optimal Utilization of Resources

Our Company constantly endeavors to improve our production process, skill up-gradation of workers, modernization of machineries to optimize the utilization of resources. We regularly analyze our existing material procurement policy and manufacturing process to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

#### Location

##### Registered Office

1011, Sakar-V, B/h. Natraj Cinema, Ashram Road, Ahmedabad-380009

##### Factory/Manufacturing Unit

Our Company has its own manufacturing unit at the following location-

Location	Products
Unit I- Plot No: 832, Kothari Estate, Near Kothari Cross Road, Vil: Santej, Tal: Kalol, Dist: Gandhinagar	<b>ADHESIVES WATER BASE</b> PVA Based Binder PVA Based Adhesives LAI (Starch Based Solution)
Unit II - Plot No: 734/3, Opp. Nilkanth Hotel, Rakapur, Tal: Kalol, Dist: Gandhinagar.	<b>ADHESIVES SOLVENT BASE</b> Resin Solution Rubber Adhesives
Unit III- Plot No: 734/7, Opp. Nilkanth Hotel, Rakapur, Tal: Kalol, Dist: Gandhinagar	<b>PAINTS</b> Distemper, Cement Primer/Wall Primer, Emulsion (Surface Coating) Melamine (Wood Touch) Magic Touch (PU) Enamel and Automotive Paints Enamel Automotive Paints

#### **Plant & Machinery, technology, Process etc.**

Our manufacturing units is equipped with all required machinery to achieve targeted production of various adhesives/(chemicals). Our majority of machineries are consisting of Vessels, weighing machines, Drums, Monoblock Motor Pump(s), Cooling towers, Sealing machine, Strapping machine, other building and hardware materials and laboratory equipment's i.e. Stop watch, Flow Meter, Density Meter, Solid Contains Machines, etc.



## Technology

Our manufacturing process comprises of combination of manual and machine driven method. Even mixing of raw material is technically controlled which helps us to achieve hassle free production of quality goods with utmost economy.

Our Company has fully Developed Laboratory with latest and modern technology equipment and managed by experience personnel. Our Director Mr. Chandresh Saraswat who is having vast experience of more than 10 years in Adhesive Industry, who is taking care of the production and the Laboratory to maintain high standards of quality in manufacturing process and finished goods.

## Infrastructure facilities for Raw Materials and Utilities like Water, Electricity etc.

### Raw Material

The majority of raw material required in our manufacturing process of adhesive (chemicals) are VAM, PVA, Starch Powder, Acetone, Toluene, Hexane, Resins, Rubber, Calcite, China clay, Xylene, Pigments etc. The raw materials are easily available as the plant of the company is in fully developed industrial zone of Gujarat. The company is procuring the raw material from number of suppliers and dealing with the suppliers since long. The company gets the delivery of raw material within time.

### Quality Measures

We have latest and modern technology equipped with experienced personnel which helps to maintain the quality of the product manufactured by us and intensive care is taken to determine the standard of each and every batch of material dispatched from our manufacturing and packing department.

### Power

The details of sanctioned load from Uttar Gujarat Vij Company Limited are as follows:

Location	Sanction Load
Unit I- Plot No: 832, Kothari Estate, Near Kothari Cross Road, Vil: Santej, Tal: Kalol, Dist: Gandhinagar	50KW
Unit II - Plot No: 734/3, Opp. Nilkanth Hotel, Rakapur, Tal: Kalol, Dist: Gandhinagar.	25 KW
Unit III- Plot No: 734/7, Opp. Nilkanth Hotel, Rakapur, Tal: Kalol, Dist: Gandhinagar	25 KW

### Water

#### **SOURCE OF WATER SUPPLY**

The requirement of water is fulfilled by arrangements of water tankers which are available in nearby locations of our manufacturing units.

### Pollution

We have received the amended consolidated consent from GPCB vide amended order no. AWH-84044 dated January 27, 2017 for manufacturing of PVA Based Adhesive, PVA Based binder and Lai (Starch based solution) upto total quantity of 50MT/Month, 10MT/Month and 90MT/Month respectively which is valid upto December 27, 2021.

### Human Resources

Human resource is an asset to any industry, sourcing and managing. We believe that our employees are the key to the success of our business. We focus on hiring and retaining employees and workers who have prior experience in the adhesive/(chemical) Industry. Due to live touch with the staff and their families company does not have any staff or any labour problem.



As on February 1, 2017 we have the total strength of 51 permanent employees (including skilled and semi-skilled Labour) in various departments. The details of which is given below:

Sr. No.	Particulars	Employees
1.	Management and Finance	2
2.	Production/Manufacturing	4
3.	Administration and Marketing	31
4.	Skilled and Semi-Skilled Labour	14
	<b>Total</b>	<b>51</b>

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

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

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

#### Our Products -



*These technical data are determined for each lot before its release by our quality control laboratory.*

##### Yug-col Wood Glue

Solid Content	43%	$\pm 1\%$
Active	40%	$\pm 1\%$
Ph Value	5 to 6	$\pm 0.5$
Density	0.95	$\pm 0.02$

#### **Wood Glue**

is poly vinylacetate based adhesive in the form of a milky white. It is used for all wood working applications like sports industry, furniture industry, handicrafts, paper and paper products, textile industry, etc.

**Coverage:** Approx. 800 gms / 32 sq.ft. in comparison with any other conventional adhesive in the market.

**Advantages:** 4-5 hours setting time compared with 8-10 hours.

Extra PVA emulsion for strong bonding.

High density & quick setting ability.

**Pack Size:** 50 kg. / 20 kg. / 10 kg. / 5 kg. / 2 kg. / 1 kg.

500 gms. / 250 gms. / 125 gms.

**Shelf Life:** 1 year



#### Specifications - IS

*These technical data are determined for each lot before its release by our quality control laboratory.*

	As per IS 4835-1979	Yug-col Wood Glue
Solid Content	40%	46% $\pm 1\%$
Active	37%	40% $\pm 1\%$
Ph Value	5 to 7	6 $\pm 0.5$
Density	Not Less than 0.9	0.95 $\pm 0.02$

#### Marine Waterproof Adhesive

is milky white aqueous poly vinylacetate dispersion with cross-linking properties. Ideal for area exposed to moisture and humidity like bathrooms, kitchens, ship-building and coastal areas.

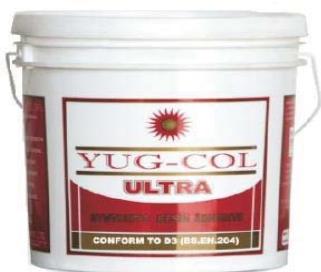
**Coverage:** Approx. 700 gms / 32 sq.ft. in comparison with any other conventional adhesive in the market.

**Advantages:** The dispersion exhibits a rapid increase in bond strength when pressed at temperatures higher than 20° C. The resulting water proof bonds exhibit an outstanding heat and water resistance.

3-4 hours setting time. More coverage with super strong bonding.

**Pack size:** 50 kg. / 20 kg. / 10 kg. / 5 kg. / 2 kg. / 1 kg.  
500 gms. / 250 gms. / 125 gms.

**Shelf Life:** 1 year



*These technical data are determined for each lot before its release by our quality control laboratory.*

	Yug-col Wood Glue
Solid Content	55% $\pm 1\%$
Active	51% $\pm 1\%$
Ph Value	6 $\pm 0.5$
Density	1.1 $\pm 0.02$
Viscosity	10000 $\pm 10\%$ CPS

#### Ultra - D3

is aqueous poly vinylacetate dispersion with cross-linking properties and stabilization with polyvinyl alcohol. Yug Col Ultra confirms the D3 (BS.EN.204) standards of Europe.

**Coverage:** Approx. 600 gms / 32 sq.ft. in comparison with any other conventional adhesive in the market.

**Advantages: Ultra-D3 gives excellent bonding strength to wood joining.**

It's bond exhibits an outstanding heat and water resistant. Gives best performance on hot press application.



**Water Resistant:** (a) Joint strength will remain almost same after keeping in cold water (room temp.) for 6 to 12 hrs. (b) Joint strength will remain almost same after keeping in hot water (temp upto 80°C) for 1 to 2 hrs. 2-3 hours setting time.

**Pack Size:** 50 kg. / 20 kg. / 10 kg. / 5 kg. / 2 kg. / 1 kg. 500 gms. / 250 gms. / 125 gms.

**Shelf Life:** 1 year

#### RUBBER BASED ADHESIVES



**SR - 99**

Synthetic Rubber-based Adhesive. For use in furniture and footwear industries. This can also be used in upholstery & fixing laminate sheets to wood & other surfaces.

##### **Advantages:**

- It gives a soft feel to the joined surfaces.
- Non-staining and does not discolor tapestry.
- Economical to use for heavy duty works.
- Quick drying and gives good coverage.



**SR - 55**

After complete setting, it develops a bond between two surfaces which is tough, flexible and resistant to oil, alkali, water, petrol, etc.

##### **Advantages:**

- Rubber based adhesive for use in general application.
- Economical to use for handicraft industry.
- Non-staining and does not discolor tapestry.
- Quick drying and gives good coverage.



**SR - 44**

Rubber based adhesive for use in foam- to-foam applications. If required SR - 44 is also available with 16 to 18% Solids.

##### **Advantages:**

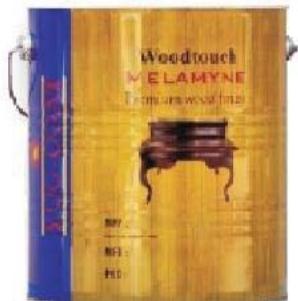
- It gives a soft feel to the joined surfaces.
- Economical to use for shoe and carpet Industry.
- Non-staining and does not discolor tapestry.
- Quick drying and gives good coverage.



## WOOD POLISHING PRODUCTS

### MELAMYNE

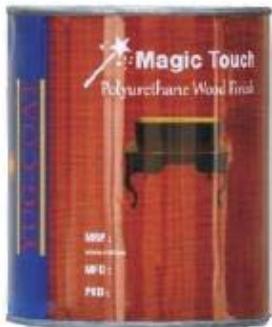
#### Wood touch



Provides your wooden furniture with a Glass-like finish, giving it a look of ultimate quality & luxury. It offers the highest clarity of image and Hi-gloss, so that your furniture gets that mirror finish.

**Advantages:** Exceptional scratch, stain & heat resistant. Its high gloss retention property ensures that the furniture continues to shine even after years of painting. It has the best hardness available in the wood finishes category making the product highly durable.

High clarity of image leading to a reflection similar to that of mirror.



is a one-pack economy Polyurethane (PU) which is easy-to-apply (brushable) and enhances the natural look of your interior wood.

**Advantages:** Can be applied on wood quickly, simply by using a brush. It is great for touch-up jobs. Does not require a separate sealer coat to be applied. The same material can be applied as undercoat and topcoat. Provides better hardness and protection to wood compared to the local French polish. Great value for money and is 3 times more durable than the local French polish.



#### ABHA Superior Interior Emulsion

*These technical data are determined for each lot before its release by our quality control laboratory.*

**Area of App.:** Interior Plasters, Asbestos sheets, Masonry.

**Viscosity:** 100-116 krebs units on stormer viscmtr. at 30°C

**Recommended Thinner:** Potable Water

**Method of App.:** Brush / Roller

**Drying Time:** Surface dry time 30 min

**Re-Coating Period:** About 4-6 hours

The exquisite emulsion paint that provides a luxurious finish and a silky glowing appearance to your walls.

**Coverage:** 1 coat - 250-270 sq.ft/ltr., 2 coats - 130-150 sq.ft/ltr.

(\*Performance may vary due to factors such as method and condition of application, porosity and surface roughness.)

**Advantages:** Its elastic film stretches to almost 400%, covering up the hairline cracks and ensuring that they are not visible.

Enhanced Anti-microbial formula.

Teflon Surface Protector.



5 year performance warranty for interiors.

**Pack Size:** 20 Ltr. / 10 Ltr. / 4 Ltr. / 1 Ltr.

**Shelf Life:** 3 years

### Ankita Acrylic Distemper



*These technical data are determined for each lot before its release by our quality control laboratory.*

**Area of App.:** Interior Plasters, Asbestos sheets, Masonry.

**Supply Viscosity:** Smooth paste

**Recommended Thinner:** Potable Water

**Method of App.:** Brush / Roller

**Drying Time:** Surface dry time 30 min

**Re-Coating Period:** 3 hours min

**Finish:** Smooth & Matt

can be applied on ceilings and wall surfaces where a smooth matt finish is desired with an economic advantage and is recommended for interior use only.

**Coverage:** 1 coat - 250-270 sq.ft/ltr.

(\*Performance may vary due to factors such as method and condition of application, porosity and surface roughness.)

**Advantages:** Easy Application.

Superior Finish.

Better Value for Money.

Enhanced Durability.

**Pack Size:** 20 kg. / 10 kg. / 5 kg. / 1 kg.

### WALL PRIMER



*These technical data are determined for each lot before its release by our quality control laboratory.*

**Area of App.:** Interior Plasters, Asbestos sheets, Masonry.

**Application Viscosity:** 20-22 sec.

**Recommended Thinner:** Potable Water

**Method of App.:** Brush / Roller

**Drying Time:** Surface dry maximum 1 hour

**Re-Coating Period:** 3 - 4 hours

**Finish:** Smooth & Matt

Yug Coat Premium Grade Wall Primer (Water Thinnable) gives superior adhesive and better performance of the paint film.

**Coverage:** 1 coat - 120-140 sq.ft/ltr.

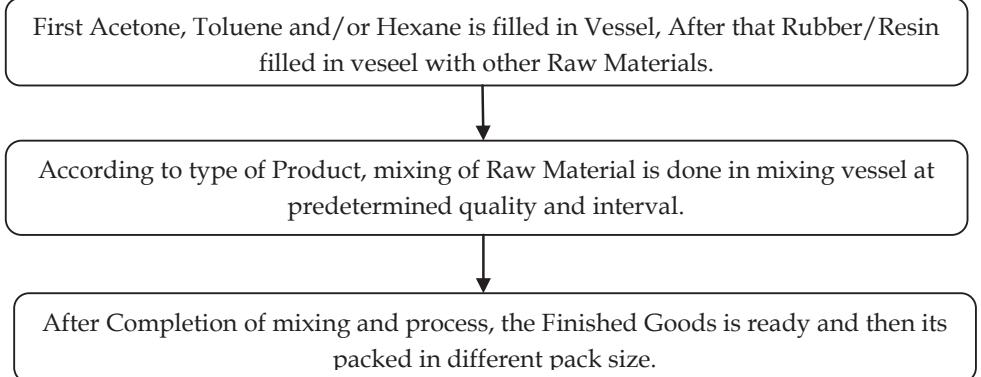
(\*Performance may vary due to factors such as method and condition of application, porosity and surface roughness.)

**Advantages:** Easy Application.  
 Superior Finish.  
 Enhanced Durability.  
 Better Value for Money.

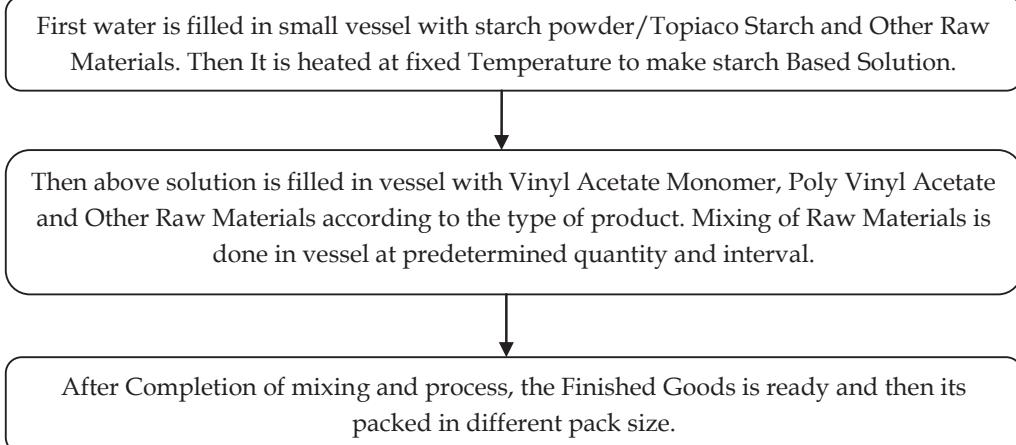
**Pack Size:** 20 kg. / 10 kg. / 4 kg. / 1 kg.

### Manufacturing Process

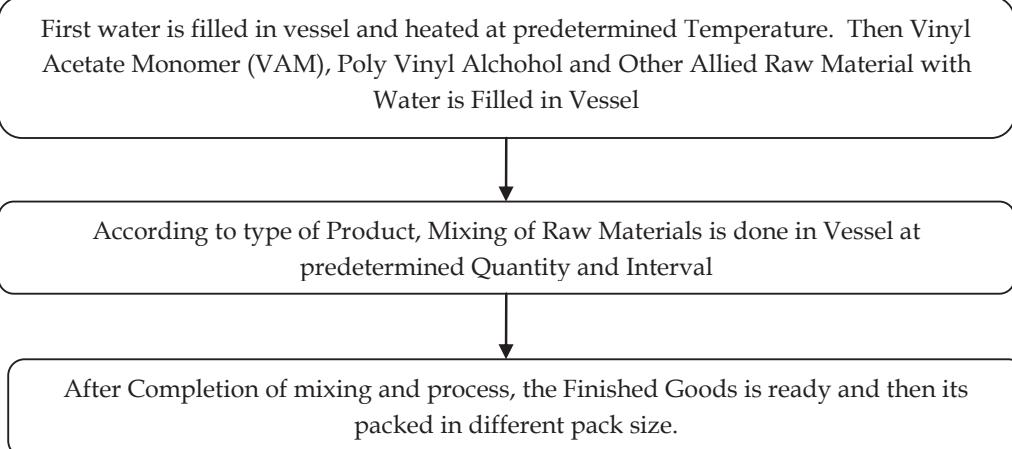
#### Rubber Adhesives/Resin Solution



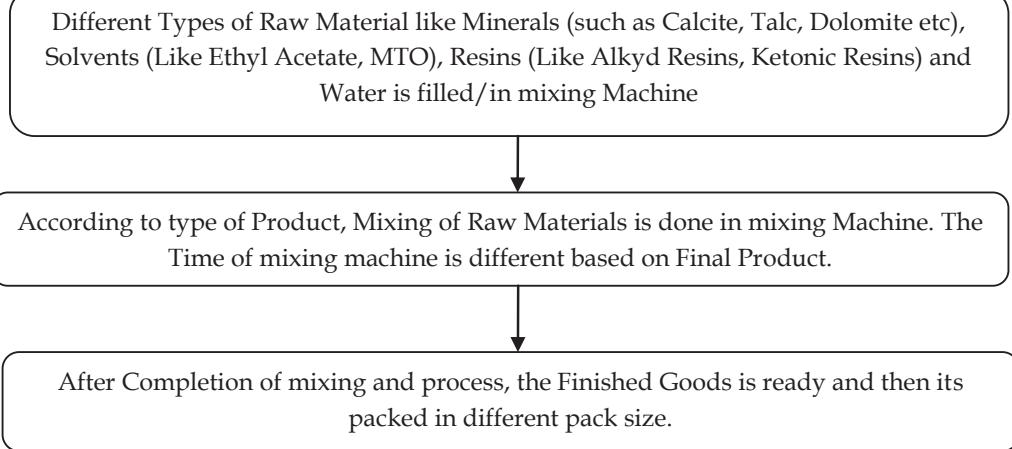
#### Glue Based on Starch



### PVA Adhesives/Wood Glue



### Paints and Finishes



### Inventory and End Users

Based on experience of our individual promoters and market conditions, we maintain optimum inventory at our factory premises. Our products are mainly sold to company who used our products as raw material in their manufacturing process including furniture industry, leather industry, melamyne, paint industry etc and also to the end users through the channel of the distributors.

### Marketing and Distribution Arrangement

Our success lies in the strength of our relationship with our customers who have been associated with our Company for a long period. We sales our products through the channel of Distributors/Dealers. We also sales our products to the industry who used our products as raw material in their manufacturing process. We are also exporting our product to the various countries viz. Bahrain, Bangladesh, Dubai, Ethiopia, Nepal, Saudi Arabia, Yemen, Iraq etc.

To meet with customers demand our products are packed in various range i.e. Packing in Drums in range of 30 & 50 Kgs), Bucket (5 Kgs, 10kgs and 20 Kgs), Jars (500gm, 1Kgs and 2Kgs), Tin of 500gm to 1 litre, 5 litre 20 litres, 25 Litres. Our Company believes that a long-term client relationship with customers fetches better dividends. This helps the company to improve the efficiency of our product and management on continues basis. It forms basis of further expansion for our Company, as we are able to monitor a potential product/ market closely on day to day basis through channel of distributors.



## COMPETITION

The Adhesive/chemical industry constitutes numerous Adhesive/chemical exporters, manufacturers and supplier dealing in Adhesive (Water and Solvent Based), Emulsion, Paints etc. Competition emerges not only from organized sector but also from the unorganized sector and from both small and big regional players, National and International players. In adverse and competitive market scenario also we are able to maintain our growth steadily due to our planned structure of purchase policy of raw material and strategically market policy. Our experience in this business has enabled us to provide quality products in response to customer's demand for best quality.

### Capacity and Capacity Utilization

Name of the Product	Licensed Capacity (P.A) (In Kgs)	Installed Capacity (P.A) (In Kgs)	CAPACITY UTILIZATION					
			2014		2015		2016	
			(In Kgs)	(In %)	(In Kgs)	(In %)	(In Kgs)	(In %)
PVA Based Binder	1,20,000	1,50,000	116081	77.39	110347	73.56	112195	74.80
PVA Based Adhesives	6,00,000	12,00,000	551168	30.62	499069	41.59	542462	45.21
LAI (Starch Based Solution)	10,80,000	16,50,000	349770*	58.29*	779821	47.26	617551	37.43
Others Chemicals Products/Chemicals Intermediates	-	21,60,000	900200^	50	694028	32.13	623396	28.86

Name of the Product	Licensed Capacity (P.A) (In Kgs)	Installed Capacity (P.A) (In Kgs)	2017		2018		2019	
			(In Kgs)	(In %)	(In Kgs)	(In %)	(In Kgs)	(In %)
PVA Based Binder	1,20,000	1,50,000	1200000	80	1200000	80	1200000	80
PVA Based Adhesives	6,00,000	12,00,000	600000	50	600000	50	600000	50
LAI (Starch Based Solution)	10,80,000	16,50,000	700000	42.42	800000	48.48	900000	54.55
Others Chemicals Products/Chemicals Intermediates	-	21,60,000	700000	32.41	800000	37.04	900000	41.67

Note: The Installed Capacity is taken into consideration as base for calculating % of Capacity Utilization.

\*The production of Lai (Starch Based Solution) for the FY 2013-14 is for 4 months and % of Capacity Utilization is calculated accordingly on the basis of % Installed Capacity for the 4 months respectively.

<sup>^</sup>The Installed Capacity was 18,00,000 Kgs p.a. in the FY 2013-14, additional capacity was increased by 3,60,000 Kgs. in the FY 2014-15 and % of Capacity Utilization is calculated accordingly on the basis of Installed Capacity.

### Indebtedness

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



Name of the Lender	Sanction Amount (Rs. in lakhs)	Purpose	Amount O/s as on November 30, 2016 (₹. In lakhs)	Interest Rate per annum	Repayment Schedule	Security (Combined Security)	Period
<b>ALLAHABAD BANK</b>							
Deed Of Hypothecation dated January 1, 2017	<b>Fund Based:</b> Cash Credit of Rs 290.00 Lacs. (Margin: 25% on fully paid stocks and 25% on book debts upto 120 days)	To meet requirement of working capital	143.38	Interest On Cc Limit MCLR +3%-1year (MCLR 1 Year is 8.60% at present)	Repayable on demand	<p><b>PRIMARY:</b> Exclusive hypothecation charge over entire Current Assets of the firm.</p> <p><b>COLLATERAL:</b></p> <ol style="list-style-type: none"> <li>1. Registered EM of factory Land and Building at plot No. Block. 832, Near Kothari Char Rasta, Behind Ambika Estate, Santej. Ta Kalol dist Gandhinagar having land area of 758 sq. yds having Realisable value of Rs. 152.17 lacs in the name of M/s Yug Décor Pvt Ltd (D K Selarka 01/09/2014)</li> <li>2. registered E.M. of office situated at 1011, sakar v. behind old natraj cinema, Ashram Road. Ahmedabad having area of 718.00 sq.ft. having Realiasable V of Rs. 38.79 lacs in the name of Shri Chandreshkumar S Saraswat and Mrs. Nisha C Saraswat (I C Patel)</li> <li>3. Hypothecation of existing plant &amp; machineries of the company having W.D.V of Rs. 67.91 lacs (ABS 31/03/2016)</li> <li>4. Pledge of DDP Rs. 6.00 and Rs. 15.00 lacs</li> </ol>	-

#### Details of Immovable Property:

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



**Owned Property:**

Particulars	Details
Name of the Parties (Buyer)	Registered in the name of Yug Decor Private Limited
Name of Seller(s)	Karan Adhesives Private Limited
Description of Property	Non Agriculture Land at Plot No: 832, Kothari Estate, Near Kothari Cross Road, Village: Santej, Tal: Kalol, Dist: Gandhinagar-382 721.
Date of agreement	4 <sup>th</sup> November, 2006
Consideration Paid including stamping and Registration charges	Rs. 18,55,800/-
Usage	Manufacturing Water based adhesives
Area (Approx)	1087.36 Sq.mtr

**Leased Properties**

Particulars	Details
Name of the Lessor	Chandresh S. Saraswat
Description of Property	1011, Sakar V, Behind Natraj Cinema, Ashram Road, Ahmedabad-380009
Date of agreement	May 23, 2016
Rent	Rs. 25000 per month
Usage	Registered Office
Period	April 1, 2016 to March 31, 2019

Particulars	Details
Name of the Lessor	Pranam Polymer Industries
Description of Property	Plot No: 734/3, Opp. Nilkanth Hotel, Rakanpur, Tal: Kalol, Dist: Gandhinagar-382 721
Date of agreement	1 <sup>st</sup> April, 2016
Rent	Rs. 35,500/- per month
Usage	Used as Manufacturing Solvent based adhesives
Period	1 <sup>st</sup> April, 2016 to 31 <sup>st</sup> March, 2019

Particulars	Details
Name of the Lessor	Pranam Polyurethane India Pvt Ltd
Description of Property	Plot No: 734/7, Opp. Nilkanth Hotel, Rakanpur, Tal: Kalol, Dist: Gandhinagar-382 721
Date of agreement	1 <sup>st</sup> April, 2016
Rent	Rs. 45,000/- per month
Usage	Used as Manufacturing paints and finishes
Period	1 <sup>st</sup> April, 2016 to 31 <sup>st</sup> March, 2019


**Insurance**

Sr. No	Name of the Insurance Company	Name of Insured	Type of Policy	Validity Period	Description of cover under the policy	Policy No.	Sum Insured (Rs.)	Premium Paid (Rs)
1.	Cholaman dalam MS General Insurance Company Ltd	Yug Décor (P) Ltd	Standard Fire and Special Perils Policy	June 24, 2016 to June 23, 2017	Building-Registered Office	2130/0076017 1/000/00	12,50,000	1,148.00
2.	Future Generali India Insurance Company Ltd	Yug Décor Pvt Ltd	Employee Compensation Insurance -Policy Schedule	December 02, 2016 to Midnight of December 01, 2017	Medical Extension for 20 Workers engaged in Mfg of Chemicals and Adhesive Products	2016-L0085267-FWC	10,00,000	20,622.00
3.	The Oriental Insurance Company Limited	Yug Décor Private Ltd	Standard Fire and Special Perils Policy	November 30, 2016 to midnight of November 29, 2017	Plant, Machinery & Stock at factory located at Plot No. 734/3, Opp. Nilkant h Hotel, Rakanpur, Vill: Santej, Gandhinagar-382721	141102/11/20 17/738	25,00,000	7,007
4.	The Oriental Insurance Company Limited	Yug Décor (P) Ltd	Standard Fire and Special Perils Policy	November 30, 2016 to Midnight November 29, 2017	Building, Stock, Plant & Machinery located at 832, Kot hari Cross	141102/11/20 17/740	1,00,00,000	23,086



					Road, Santej, Gandhin agar- 382721			
5.	The Oriental Insurance Company Limited	Yug Décor Private Ltd	Standard Fire and Special Perils Policy	November 28, 2016 to Midnight November 27, 2017	Stock, Plant & Machinery located at Plot No. 733, Opp. Nilkanth Hotel, Rakanpur, Vill: Santej, Gandhinagar-382721	141102/11/2017/739	20,00,000	4,123
6.	The Oriental Insurance Company Limited	Yug Décor Private Ltd	Standard Fire and Special Perils Policy	December 08, 2016 to Midnight December 07, 2017	Stock, Building Plant & Machinery located at Plot No. 734/7, Opp. Nilkanth Hotel, Rakanpur, Ahmedabad-382721	141102/11/2017/786	20,00,000	8,712

#### **Exports & Exports Obligations**

We export our products to various countries viz. Bahrain, Bangladesh, Dubai, Ethiopia, Nepal, Saudi Arabia, Yemen, Iraq etc and as on date of this Draft Prospectus there is no export obligation on the Company.



## KEY INDUSTRY REGULATIONS AND POLICIES

We are subject to a number of Central and State legislations which regulate substantive and procedural aspects of the business. Additionally, the operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local bye-laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business. The regulations set out below are not exhaustive and are only intended to provide general information to the bidders. The company is engaged in business of textile. Set further below are certain general legislations and regulations which govern this industry in India.

### Statutory Legislations

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

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

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

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

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

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

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

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



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

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

### **Tax Related Legislations**

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

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

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

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

#### **Central Sales Tax Act, 1956**

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

#### **Excise-Related Regulations**

Excise duty imposes a liability on a manufacturer to pay excise duty on production or manufacture of goods in India. The Central Excise Act, 1944 is the principal legislation in this respect, which provides for the levy and collection of excise and requires every person who produces, manufactures, carries on trade, holds private store-room or warehouse or otherwise uses excisable goods, to obtain registration thereunder. Additionally, the Central Excise Tariff Act, 1985 (the "CETA") prescribes the rates of excise duties for various goods. Excise duty is imposed on goods produced or manufactured in India under the provisions of CETA. The Central Excise Rules, 2002 provides the manner of payment of the central excise duty as well as the rebate and remission provisions.

#### **Trade Marks Act, 1999 (Trade Marks Act)**

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



Marks Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks.

### **Regulation of Foreign Investment in India**

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations promulgated there under. The RBI, in exercise of its powers under FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") which prohibit, restrict and regulate, transfer or issue of securities, to a person resident outside India. Pursuant to the FEMA Regulations, no prior consent or approval is required from the RBI for foreign direct investment under the "automatic route" within the specified sectoral caps prescribed for various industrial sectors. In respect of all industries not specified under the automatic route, and in respect of investments in excess of the specified sectoral limits under the automatic route, approval for such investment may be required from the FIPB and/or the RBI. Further, FIIs may purchase shares and convertible debentures of an Indian company under the portfolio investment scheme through registered brokers on recognized stock exchanges in India. Regulation 1 (4) of Schedule II of the FEMA Regulations provides that the total holding by each FII or SEBI approved sub-account of an FII shall not exceed 10% of the total paid-up equity capital of an Indian company or 10% of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all FIIs and sub accounts of FIIs added together shall not exceed 24% of the paid-up equity capital or paid-up value of each series of convertible debentures. However, this limit of 24% may be increased up to the statutory ceiling as applicable, by the Indian company concerned passing a resolution by its board of directors followed by the passing of a special resolution to the same effect by its shareholders.

### **Shops and Establishments legislations in various States**

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

### **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 Local Authority 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. The Maharashtra State Tax on Profession, Trades, Callings and Employments Act, 1975 is applicable to the Company.

### **Other Applicable Laws the Indian Stamp Act, 1899**

Under the Indian Stamp Act, 1899, stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state.



Instruments chargeable to duty under the Stamp Act, which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

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

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

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

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

### **THE WATER (PREVENTION AND CONTROL OF POLLUTION) ACT, 1974 ("Water Act")**

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, which is empowered to establish standards and conditions that are required to be complied with. In certain cases the State Pollution Control Board may cause the local Magistrates to restrain the activities of such person who is likely to cause pollution. Penalty for the contravention of the provisions of the Water Act include imposition of fines or imprisonment or both.

The Central Pollution Control Board has powers, inter alia, to specify and modify standards for streams and wells, while the State Pollution Control Boards have powers, inter alia, to inspect any sewage or trade effluents, and to review plans, specifications or other data relating to plants set up for treatment of water, to evolve efficient methods of disposal of sewage and trade effluents on land, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry likely to pollute a stream or a well, to specify standards for treatment of sewage and trade effluents, to specify effluent standards to be complied with by persons while causing discharge of sewage, to obtain information from any industry and to take emergency measures in case of pollution of any stream or well. A central water laboratory and a state water laboratory have been established under the Water Act.

### **The Air (Prevention and Control Of Pollution) Act, 1981 ("Air Act")**

Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. The State Pollution Control Board is required to grant consent within a period of four months of receipt of an application, but may impose conditions relating to pollution control equipment to be installed at the facilities. No person operating any



industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board. The penalties for the failure to comply with the above requirements include imprisonment of up to six years and the payment of a fine as may be deemed appropriate. Under the Air Act, the Central Board for the Prevention and Control of Water Pollution has powers, inter alia, to specify standards for quality of air, while the State Board for the Prevention and Control of Water Pollution have powers, inter alia, to inspect any control equipment, industrial plant or manufacturing process, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry and to obtain information from any industry.

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

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

#### **Factories Act, 1948**

This Act came into force on 1st April, 1949 and extends to the whole of India, including Jammu and Kashmir. It has been enacted to regulate working conditions in factories and to ensure the provision of the basic minimum requirements for safety, health and welfare of the workers as well as to regulate the working hours, leave, holidays, employment of children, women, etc. It ensures annual leaves with wages, provides additional protection from hazardous processes, additional protection to women workers and prohibition of employment of children.



## HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as Yug Adhesive Private Limited under the provision of the Companies Act, 1956 vide certificate of incorporation dated June 23, 2003 issued by the Asstt. Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Later on, the name of company was changed to Yug Décor Private Limited and fresh certificate of incorporation dated December 7, 2004 was issued by the Registrar of Companies, Gujarat. Consequent upon the conversion of our Company into public limited company, the name of our Company was changed to Yug Decor Limited and fresh certificate of incorporation dated September 14, 2016 was issued by the Deputy ROC, Registrar of Companies, Ahmedabad Gujarat. The Corporate Identification Number of our Company is U24295GJ2003PLC042531.

Our Company was incorporated in the year 2003, initially for a period of 3 years, our Company was engaged in mere trading of Laminates and plywood. In the year 2006, our Company had buy out manufacturing Unit (Unit I) of Water Based Adhesive and also commence the activity of and Rubber Solution/Adhesive i.e. PVA Based Adhesive, PVA Based Binder, Resin Solution and Rubber Adhesives for wood and footwear industry at Santej and due to which top line of our company was increased to the level of ₹391.69 Lacs and our PBDT was more than doubled to ₹6.56 Lacs and net profit after tax has increased to ₹1.50 Lacs i.e by 73.2%.

During the span of 2007-2010, additional Equity Share capital of ₹46.78 Lacs was pumped in the company and started concentrating mainly on manufacturing business activities and slowing down to trading business with a vision to concentrate more on manufacturing and marketing of adhesive and rubber based products and strengthening on its own brand. Turnover of manufacturing business increased to ₹724.48 Lacs from ₹80.73 Lacs in the year 2007-2010. The Company expanded its dealer network and augmenting relationships across channels besides launching value added products.

In the year 2010, our company has acquired the factory premises namely Manufacturing Unit II on lease basis situated at Plot No: 734/3, Opp. Nilkanth Hotel, Rakanpur, Tal: Kalol, Dist: Gandhinagar to segregate the manufacture of Rubber Solution/Adhesive activities from the Unit I. Our company has also started export sales of PVA Based Adhesive to Ethiopia (INR 5.01 Lacs).

During the year 2013-16 new products were added to the basket of manufacturing activity i.e. Lai (Starch Based Solution), Surface Coating: Melamyne and Magic Touch, Paints: Distemper, Cement Primer/Wall Primer, Emulsion, Enamel including Automotive Paints. After having strong foothold in the manufacturing of various water and solvent based chemicals/adhesives, In the year 2016, our company has acquired factory premises namely Manufacturing Unit III on lease basis situated at Plot No: 734/7, Opp. Nilkanth Hotel, Rakanpur, Tal: Kalol, Dist: Gandhinagar to undertake the manufacturing activities of paints and finishes.

The company has received the amended consolidated consent from GPCB vide amended order no. AWH-84044 dated January 27, 2017 for manufacturing of PVA Based Adhesive, PVA Based binder and Lai (Starch based solution) upto total quantity of 50MT/Month, 10MT/Month and 90MT/Month respectively which is valid upto December 27, 2021.

### Changes in Registered Office

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

Sr. No.	Registered Office		With Effect From
	Shifted From	Shifted To	
1.	7, Abhikram, 27, Inkilab Society, Gulbai Tekra, Ahmedabad -380015	1011,Sakar -5, B/h. Natraj Cinema, Ashram Road, Ahmedabad- 380009	January 16, 2006



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

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

<b>Date of Amendment</b>	<b>Particulars</b>
October 14,2004	Alteration of main "Object Clause"
December 7, 2004	Company has changed its name to Yug Decor Private Limited
March 16,2006	Increased in authorized capital from Rs.1,00,000 to Rs. 5,00,000
June 8, 2007	Increased in authorized capital from Rs.5,00,000 to Rs. 15,00,000
June 11, 2009	Increased in authorized capital from Rs.15,00,000 to Rs.20,00,000
December 29,2012	Increased in authorized capital from Rs. 20,00,000 to Rs.24,50,000
August 26,2013	Increased in authorized capital from Rs. 24,50,000 to Rs.30,00,000
November 27	Increased in authorized capital from Rs. 30,00,000 to Rs.40,00,000
August 4,2016	Increased in authorized capital from Rs. 40,00,000 to Rs.3,25,00,000
September 14, 2016	Converted company from Private Limited into Public Limited.
February 7,2017	Increased in authorized capital from Rs.3,25,00,000 toRs.4,25,00,000

### **Major Events**

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

<b>Financial Year</b>	<b>Events</b>
2003-04	Our company was incorporated and commenced the business
2004-05	The Name of our Company was changed.
2006-07	Company purchased Manufacturing Unit Water and Solvent Based Chemicals/Adhesive.
2010-11	Company acquired a Manufacturing Unit II on lease basis to manufacture solvent based Chemicals/Adhesive activities
2016-17	Company acquired factory premises namely Manufacturing Unit III on lease basis to undertake the manufacturing activities of paints and finishes.
2016-17	Our Company was converted in to Public Company.
2016-17	Bonus Shares were issued in the ratio of 4.5:1.
2016-17	Adoption of New Sets of Articles of Association.

### **Subsidiaries/Holdings 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 110 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 shareholders are 36. For more details on the shareholding of the members, please see the section titled "Capital Structure" at page 43.

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

The object clauses of the Memorandum of Association of our Company enable us to undertake the activities for which the funds are being raised in the present Issue. Furthermore, the activities of our Company which we have been carrying out until now are in accordance with the objects of the Memorandum. The objects for which our Company is established are:

1. To carry on the business as manufacturers, manufacturer's representatives, Convertors, traders, distributors, importers, exporters, buyers, sellers, agents, stockiests and to market, for all kind of timber, wood, veneers products, veneer for teachests, packing cases, commercial and decorative plywood, block board, decorative veneer, laminated boards, laminated sheets, composite boards, bent wood, compressed board, pressed boards, chip boards, hard boards, moulded boards, all types of paints and distemper, polymer based adhesives and other allied products.

### **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 3 (three) are Non-Independent Directors and 2 (two) are Independent directors, they are:

1. Mr. Chandresh Santosh Kumar Saraswat	- Managing Director
2. Ms. Ankita Chandresh Saraswat	-Whole Time Director
3. Mr. Santosh Kumar Saraswat	-Non Executive And Non Independent Director
4. Mr. Abhay Rameshchandra Shrivastava	- Independent Director
5. Mr. Jitesh Tiwari	-Independent Director

The Following table sets forth details regarding the Board of Directors as of the date of this 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. Chandresh Saraswat <b>Father's Name:</b> Mr. Santosh Kumar Saraswat <b>Address:</b> 7 Abhikram - 27, Inkilab Society, Gulbai Tekra, Ahmedabad - 380015 Gujarat, India. <b>Age:</b> 51 Years <b>Designation:</b> Managing Director <b>Status:</b> Executive & Non Independent <b>DIN:</b> 01475370 <b>Occupation:</b> Business <b>Nationality:</b> Indian	<b>B.A. (Graduate)</b>  <b>Experience:</b> More than 10 Years of experience in field of Adhesive Industry	<b>June 19, 2007</b>  <b>Term:</b> Re appointed as a Managing Director w.e.f February 07, 2017 for a period of 5 years from i.e. up to February 06, 2022.	-
<b>Name:</b> Ms. Ankita Saraswat <b>Father's Name:</b> Mr. Chandresh Saraswat <b>Address:</b> 7 Abhikram - 27, Inkilab Society, Gulbai Tekra, Ahmedabad - 380015 Gujarat, India. <b>Age:</b> 25 Years <b>Designation:</b> Whole Time Director <b>Status:</b> Executive & Non Independent <b>DIN:</b> 05342198 <b>Occupation:</b> Business <b>Nationality:</b> Indian	<b>B.M.S., M.B.A.</b>  <b>Experience:</b> More than 2 Years of Experience in the field of Marketing and Human Resources	<b>July 28, 2012</b>  <b>Term:</b> Appointed as a Whole - Time Director w.e.f February 07, 2017 for a period of 5 years from i.e. up to February 06, 2022.	-
<b>Name:</b> Mr. Santosh Kumar Saraswat <b>Father's Name:</b> Mr. Ramjilal Saraswat <b>Address:</b> 7 Abhikram - 27, Inkilab Society, Gulbai Tekra, Ahmedabad - 380015 Gujarat, India. <b>Age:</b> 75 Years <b>Designation:</b> Director <b>Status:</b> Non-Executive & Non Independent <b>DIN:</b> 00236008 <b>Occupation:</b> Business <b>Nationality:</b> Indian	<b>Diploma in Mechanical Engineering, Diploma in Signaling / Telecom</b>  <b>Experience:</b> More than 13 Years of experience in field of Adhesive Industry	<b>June 23, 2003</b>  <b>Term:</b> Liable to retire by Rotation	-

<b>Name:</b> Mr. Abhay Shrivastava	B.Sc., Diploma in Management Studies, Master's in Marketing Management	February 07, 2017	-
<b>Father's Name:</b> Mr. Rameshchandra Shrivastava			
<b>Address:</b> 1101 Greenwood, Hiranandani Estate, Thane W, Thane, Sandozhaugh, Maharastra- 400607.			
<b>Age:</b> 54 Years			
<b>Designation:</b> Director			
<b>Status:</b> Independent Director			
<b>DIN:</b> 07719944			
<b>Occupation:</b> Business			
<b>Nationality:</b> Indian			
	<b>Experience:</b> Three Decades of experience in Brand Management, Sales, Strategy, Product re-engineering, Value Engineering, Human Resources, Production, General Management, Channel design & developments, Media Planning & Training, MIS and Market Research etc.	February 07, 2017 for a period of 5 years.	
<b>Name:</b> Mr. Jitesh Tiwari	Masters in Marketing Management (Mumbai University)	February 07, 2017	-
<b>Father's Name:</b> Mr. Yogeshwar Tiwari			
<b>Address:</b> A-40, 2 <sup>nd</sup> Floor, Sawan Park, Ashok Vihar Phase III, Delhi- 110052 Delhi, India.	Bachelor of Arts (Geography & Sociology)		
<b>Age:</b> 42 Years			
<b>Designation:</b> Director			
<b>Status:</b> Independent Director			
<b>DIN:</b> 07720819			
<b>Occupation:</b> Business			
<b>Nationality:</b> Indian	<b>Experience:</b> More than 20 Years of experience in sales and Business development	February 07, 2017 for a period of 5 years.	

As on the date of the Prospectus:

- A. None of the above mentioned Directors of the Company are on the RBI List of willful defaulters.
- B. None of the Promoters, persons forming part of our Promoter Group, our Directors or persons in control of our Company or our Company are debarred from accessing the capital market by SEBI.
- C. None of the Promoters, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- D. 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 Prospectus.
- E. None of our Directors are/were director of any company whose shares were suspended from trading by stock exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five years.



### **Relationship between the Directors**

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

Director	Other Director	Relation
Mr. Chandresh Saraswat	Ms. Ankita Saraswat	Father
	Mr. Santosh Kumar Saraswat	Son

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

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

### **Service Contracts**

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

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

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

Our Articles, subject to the provisions of Section 180(1) (c) of the Companies Act, 2013 authorizes our Board, to raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. The shareholders of the Company, through a resolution passed at the EGM held on August 26, 2014 authorised our Board to borrow monies together with monies already borrowed by us, in excess of the aggregate of the paid up capital of the Company and its free reserves, apart from the temporary loans obtains from the Companies banker in the ordinary course of business, not exceeding Rs. 5 crores at any time.

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

1. Mr. Chandresh Saraswat
2. Ms. Ankita Saraswat
3. Mr. Santosh Kumar Saraswat
4. Mr. Abhay Shrivastava
5. Mr. Jitesh Tiwari

#### **Mr. Chandresh Saraswat**

Mr. Chandresh Santosh Kumar Saraswat, aged 51 years is the Managing Director of our company. In his initial carrier he worked with a packaging company for a period of one year and later on he had worked with company engaged in the business of Timber and plyboards. He has completed his bachelor of arts from Rajasthan University and diploma in specialized training in Radio, Audio, Digital Electronics & Television Technology in National institute of technology and management, New Delhi. He had more than 12 years of experience in the field of marketing with the different companies engaged in the business of timber, ply boards, packaging company. He joined the company in the year 2007 as Managing director of the company. At present, he is having more than 10 Years of experience in field of



Chemical and Adhesive Industry. He is the driving force for the uninterrupted growth and reputation of the company. He looks after the overall management, procurement of raw material, marketing, production and sales of our products of the Company.

#### **Ms. Ankita Saraswat**

Ms. Ankita Saraswat, aged 25 Years, is the Whole - Time Director of the Company. She has completed her B.M.S. and M.B.A from S.N.D.T. Mumbai and Amity University respectively, in the stream of Marketing and Human Resources. She had worked for six month with ICICI Securities Limited as a Sr. Relationship Manager. Thereafter she joined the M/s Yug Decor Limited and taking almost care of human resources Activities in the Organization. With her strong Management skills, she used to manage the Brand of the Company as well as she generates the new customers for the Company and Maintain the Relationship with old customers of the Company.

#### **Mr. Santosh Kumar Saraswat**

Mr. Santosh Kumar Saraswat, aged 75 years, is currently the Non-Executive Non Independent Director of our Company. He is a promoter director since the inception of our company. He has completed his Diploma in Mechanical Engineering from Aligarh Muslim University. He served to Indian Railway department for 40 years at various levels. Later on, he opted for voluntary retirement from the Railway. He started trading business of Adhesive and Laminates and started a company namely Yug Adhesive Private Limited in June, 2003. With his keen interest and hard work the Company became "Interior Decor Company" and started all related products like laminates, plywood, hardware, paints and wood finishes apart from his core strength of adhesives in 2004. He started manufacturing of Water and solvent based Adhesive products in 2006 and at present he has more than 13 Years of experience in the field of Chemical and Adhesive Industry.

#### **Mr. Abhay Shrivastava**

Mr. Abhay Shrivastava, aged 54 Years, is Non-Executive Independent Director of our Company. He has completed his Bachelor in Science stream, Diploma in Management Studies and Master's in Marketing Management from the University of Bombay. He has an extensive knowledge and expertise of Indian Market and consumers, for cross selection of the Industries and product categories. He has more than three decades of experience in the corporate world in the areas of Brand Management, Sales, Strategy, Product re-engineering, Value Engineering, Human Resources, Production, General Management, Channel design & developments, Media Planning & Training, MIS and Market Research etc. He has worked with leading MNC's and domestic organisations and currently working with the Solution Management Consultant as a Senior Consultant.

#### **Mr. Jitesh Tiwari**

Mr. Jitesh Tiwari, aged 42 Years, is Non-Executive Independent Director of our Company. He has completed his Master's in Marketing Management from Mumbai University. He has more than 20 years of experience in sales and business development. He had hold the different position in five different types of company environments i.e. Handicrafts, Adhesives, Jewellery, a premium financial daily newspaper, Fiber Cement Products and now Premium Furniture.

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

1. Mr. Chandresh Saraswathas been appointed as the Managing Director of the company with effect from February 07, 2017 for a period of five years.



**The remuneration paid/payable is as follows:**

<b>Salary paid in F.Y. 2015-16</b>	Rs. 6,60,000/-
<b>Bonus paid in F.Y. 2015-16</b>	Rs. 54,980/-
<b>Salary &amp; Bonus paid in F.Y. 2016-17 up to November 30, 2016</b>	Rs. 4,76,700/-
<b>Date of Agreement</b>	February 07, 2017
<b>Salary as a Managing Director</b>	Up to Rs. 2,00,000/- per month

2. Ms. Ankita Saraswathas been appointed as the Whole - Time Director of the company with effect from February 07, 2017 for a period of five years.

**The remuneration paid/payable is as follows:**

<b>Salary paid in F.Y. 2015-16</b>	Rs. 4,20,000/-
<b>Bonus paid in F.Y. 2015-16</b>	Rs. 34,990/-
<b>Salary &amp; Bonus paid in F.Y. 2016-17 up to November 30, 2016</b>	Rs. 3,03,300/-
<b>Date of Agreement</b>	February 07, 2017
<b>Salary as a Whole-Time Director</b>	Up to Rs. 1,00,000/- per month

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

Till date we have not paid any sitting fees to our Non- Executive Directors.

**Shareholding of Directors:**

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

Sr. No.	Name of Directors	No. Equity Shares held	Category/ Status
1.	Mr. Chandresh Saraswat	7,92,051	Managing Director
2.	Ms. Ankita Saraswat	53,000	Whole Time Director
3.	Mr. Santosh Kumar Saraswat	5,35,735	Non-Executive & Non Independent
4.	Mr. Abhay Shrivastav	-	Non-Executive and Independent
5.	Mr. Jitesh Tiwari	-	Non-Executive and Independent

**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 the 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.



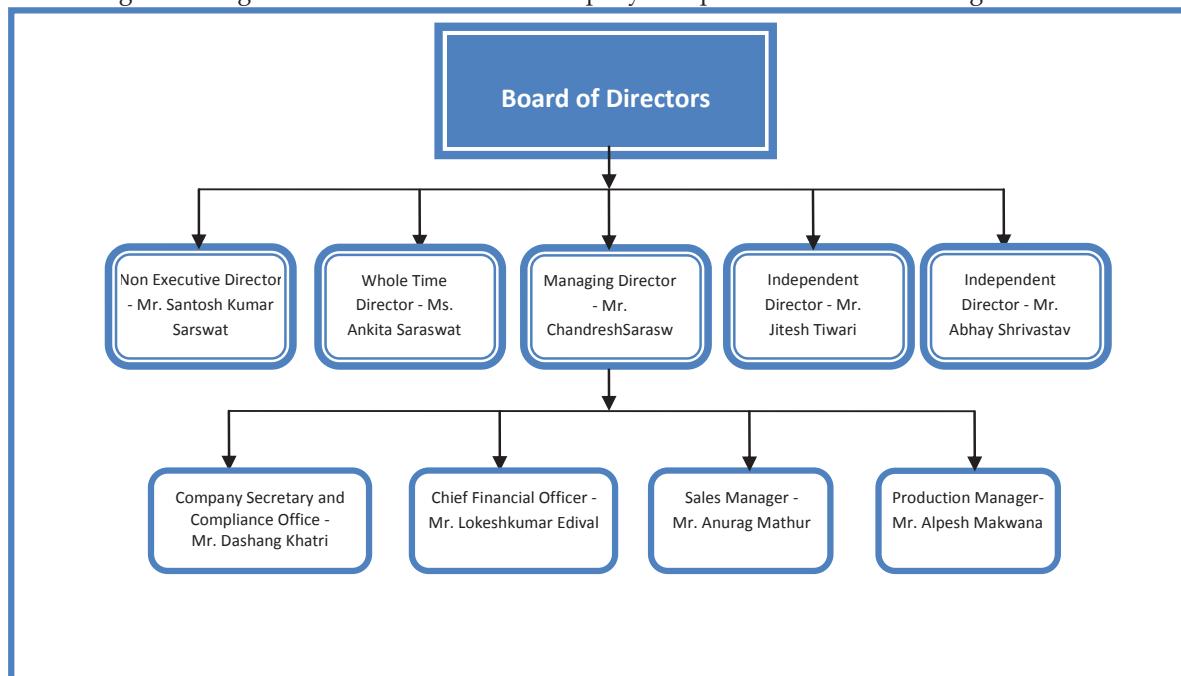
Except as stated under Related Party Transaction on page no. 126 of this Prospectus, our company has not entered into any contracts, agreements or arrangements during the preceding two years from the date of the Prospectus in which our directors are interested directly or indirectly.

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

Name of Directors	Date of Appointment	Date of change in Designation	Date of Cessation	Reason for the changes in the board
Ms. Ankita Saraswat	July 28, 2012	February 07, 2017	-	Appointment as a Whole Time Director
Mr. Chandresh Saraswat	June 19, 2007	February 07, 2017	-	Re-appointed as a Managing Director
Mr. Santosh Kumar Saraswat	June 23, 2003	February 07, 2017	-	Appointed as Non-Executive Director
Mr. Jitesh Tiwari	February 07, 2017	-	-	Appointed as Additional Director
Mr. Abhay Shrivastav	February 07, 2017	-	-	Appointed as Additional Director
Mrs. Abha Saraswat	June 23, 2003	-	January 31, 2017	Resigned as Director

#### Management Organization Structure

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



#### Corporate Governance

In addition 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, of which the Managing Director of the Board is Executive Director. In compliance with the section 149(4) of the Companies Act, 2013, our Company has two Executive Director, and three Non-Executive Directors in which two are Independent Directors on the Board.

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

Sr. No.	Board of Directors	Designation	Status	DIN
1.	Mr. Chandresh Saraswat	Managing Director	Executive and Non-Independent	01475370
2.	Ms. Ankita Saraswat	Whole Time Director	Executive and Non-Independent	05342198
3.	Mr. Santosh Kumar Saraswat	Non-Executive Director	Non-Executive and Non Independent	00236008
4.	Mr. Abhay Shrivastav	Independent Director	Non-Executive and Independent	07720819
5.	Mr. Jitesh Tiwari	Independent Director	Non-Executive and Independent	07719944

### **Constitution of Committees**

The Board of Directors of our Company hereby constitutes the following Committees:

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

#### **1. Audit Committee:**

As per section 177 of the Companies Act, 2013 The Board of Directors hereby constitutes the "Audit Committee" consisting of following members:

Name of Directors	Designation	Nature of Directorship
Mr. Santosh Kumar Saraswat	Member	Non-Executive & Non- Independent Director
Mr. Abhay Shrivastav	Member	Independent Director
Mr. Jitesh Tiwari	Member	Independent Director

The Chairman of the Committee will be decided by the members of the committee. 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:

#### **Role of Audit Committee**

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

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Scrutiny of inter-corporate loans and investments;
4. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
5. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

- a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section 3 of section 134 of the Companies Act, 2013
- b. Changes, if any, in accounting policies and practices and reasons for the same
- c. Major accounting entries involving estimates based on the exercise of judgment by management
- d. Significant adjustments made in the financial statements arising out of audit findings
- e. Compliance with listing and other legal requirements relating to financial statements
- f. Disclosure of any related party transactions
- g. Qualifications in the draft audit report.
6. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- a. Reviewing, with the management, the statement of uses /application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
9. Discussion with internal auditors any significant findings and follow up there on;
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
11. 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;
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
13. To review the functioning of the Whistle Blower mechanism, in case the same is existing;
  - a. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
15. Valuation of undertakings or assets of the company, where ever it is necessary.
16. Evaluation of internal financial controls and risk management systems;
17. Monitoring the end use of funds raised through public offers and related matters.

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

The audit committee shall mandatorily review the following information:

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

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

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

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



## 2. Stakeholders Relationship Committee

As per section 178 of the Companies Act, 2013 the Board of Directors hereby constitutes the "Stakeholders Relationship Committee" consisting of the following members:

Name of Directors	Designation	Nature of Directorship
Mr. Abhay Shrivastav	Chairman	Independent Director
Mr. Jitesh Tiwari	Member	Independent Director
Mr. Santosh Kumar Saraswat	Member	Non-Executive & Non- Independent Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Stakeholder's Relationship Committee.

### Terms of Reference Stakeholders Relationship Committee

To allot the Equity Shares of the Company and to supervise and ensure:

- Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares;
- Redressal of shareholder and investor complaints like transfer of Shares, non-receipt of balance sheet, non-receipt of declared dividends etc.,
- Issue duplicate/split/consolidated share certificates;
- Allotment and listing of shares;
- Dematerialization/Rematerialization of Share
- Review of cases for refusal of transfer / transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances and to otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- Such other matters as may from time to time are required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

## 3. Nomination and Remuneration Committee

As per section 178 of the Companies Act, 2013 the Board of Directors hereby constitutes the "Nomination and Remuneration Committee" consisting of the following members:

Name of Directors	Designation	Nature of Directorship
Mr. Abhay Shrivastav	Chairman	Independent Director
Mr. Jitesh Tiwari	Member	Independent Director
Mr. Santosh Kumar Saraswat	Member	Non-Executive & Non- Independent Director

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

### The terms of reference of the Nomination and Compensation Committee are:

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) Formulation of criteria for evaluation of Independent Directors and the Board;
- c) To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- d) Devising a policy on Board diversity;
- e) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every director's performance.



## Our Key Management Personnel

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

Name, Designation and Date of Joining	Qualification	Previous Employment	Overall Experience	Remuneration paid In previous year (2015-16) (₹ in Lakhs)
Mr. Lokeshkumar Edival Age: 30 Years Chief Finance Officer January 07, 2017	B.com, C.A., & C.S.	P. D. Goinka & Co.	5.5 Years	-
Mr. Dashang Khatri Age: 26 Years Company Secretary January 07, 2017	M.Com., C.S., & P.G.D.I.P.R.	Jayawal Enterprises Private Limited	6 Months	-
Mr. Anurag Mathur Age: 38 Years Sales Manager June 01, 2016	Bachelor of Arts, L.L.B., & M.B.A	Self Employed	16 Years	-
Mr. Alpesh Makwana Age: 43 Years Production Manager December 01, 2015	B.Sc.	Polygel Technologies (I) Pvt. Ltd.	22 Years	2.91

### Notes:

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

## Relationship of Key Managerial Personnel

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

## Shareholding of the Key Management Personnel

None of our Key Managerial Personnel holds Equity Shares in our Company as on the date of filing 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 Prospectus, otherwise than by way of retirement in due course.

Name	Designation	Date of Appointment	Date of Cessation	Reason of changes
Mr. Lokeshkumar Edival	Chief Financial Officer	January 07, 2017	-	Appointment
Mr. Dashang Khatri	Company Secretary & Compliance Officer	January 07, 2017	-	Appointment
Mr. Anurag Mathur	Sales Manager	June 01, 2016	-	Appointment
Mr. Alpesh Makwana	Production Manager	December 01, 2015	-	Appointment

### **Employee Stock Option Scheme**

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

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

None of our Key Managerial Personnel are related to our Promoters/Directors.

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

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

## OUR PROMOTERS AND PROMOTER GROUP

The Promoter of Our Company is:

Individual Promoter:

### Mr. Chandresh Santosh Kumar Saraswat



Educational Qualification	B.A.
Permanent Account Number	AHZPS0727J
Passport Number	N8935072
Driving License	GJ01 20010064317
Name of Bank	Bank of India Limited
Bank Account Number	200110100016825
Voter ID	DDV6647606
Residential Address	07, Abhikram 27, Inkilab Soc, Gulbai Tekra Ahmedabad 380015, Gujarat.

**Mr. Chandresh Santosh Kumar Saraswat**, aged 51 years is the Managing Director and promoter director of our company. In his initial carrier he worked with a packaging company for a period of one year and later on he had worked with company engaged in the business of Timber and plyboards. He has completed his bachelor of arts from Rajasthan university and diploma in specialized training in Radio, Audio, Digital Electronics & Television Technology in National institute of technology and management, New Delhi. He had more than 12 years of experience in the field of marketing with the different companies engaged in the business of timber, ply boards, packaging company. He joined the company in the year 2007 as Managing director of the company. At present, he is having more than 10 Years of experience in field of Chemical and Adhesive Industry. He is the driving force for the uninterrupted growth and reputation of the company. He looks after the overall management, procurement of raw material, marketing, production and sales of our products of the Company.

### Mr. Santosh Kumar Saraswat



Educational Qualification	Diploma In Mechanical Engineering, Diploma In Signalling/ Telecom
Permanent Account Number	ALLPS4856N
Passport Number	L9223017
Driving License	-
Name of Bank	Bank of India Limited
Bank Account Number	200112100015920
Voter ID	DDV5954987
Residential Address	07, Abhikram 27, Inkilab Soc, Gulbai Tekra Ahmedabad 380015, Gujarat.

**Mr. Santosh Kumar Saraswat**, aged 75 years, is currently the Non-Executive Non Independent Director of our Company. He is a promoter director since the inception of our company. He had very bright academic career. He has completed his Diploma in Mechanical Engineering from Aligarh Muslim



University. He served to Indian Railway department for 40 years at various levels. Later on, he opted for voluntary retirement from the Railway. He started trading business of Adhesive and Laminates and started a company namely Yug Adhesive Private Limited in June, 2003. With his keen interest and hard work the Company became "Interior Decor Company" and started all related products like laminates, plywood, hardware, paints and wood finishes apart from his core strength of adhesives in 2004. He started manufacturing of Water and solvent based Adhesive products in 2006 and at present he has more than 13 Years of experience in the field of Chemical and Adhesive Industry.

### **Confirmations**

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

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

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

For details pertaining to other ventures of our Promoters refer chapter titled "Financial Information of our Group Companies" beginning on page 125 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.

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

There is no relationship, in terms of the Companies Act, between any of the directors of our company except Mr. **Chandresh Saraswat** is a son of Mr. Santosh Saraswat and father of Ms. Ankita Saraswat.

### **Interest of Promoters**

Except as stated in Annexure XIV "Related Party Transaction" beginning on page 126 of the Draft Prospectus and to the extent of compensation / sitting fees and reimbursement of expenses in accordance with their respective terms of employment, our Promoter does not have any other interest in our business.

Further, our Promoters are Karta of HUF entities and may be deemed to be interested to the extent of the payments made by our Company, if any, to these Promoter Group entities. For the payments that are made by our Company to certain Promoter Group entities, please see the section "Related Party Transactions" on page 126.

Our Promoter has entered into a Lease and License Agreement with the company for providing the Office premises situated at 1011 Sakar -V, B/h Natraj Cinema, Ashram Road, Ahmedabad -380 009, on Lease basis for an initial period of 03 years at a rent of Rs. 25,000/- (Rupees Twenty Five Thousand only) per month with effect from April 01, 2016.

For further details of the same please refer to heading titled "Properties" beginning on page 84 under chapter titled "Business overview" and statement of Related Party Transaction beginning on page 126 of the Draft Prospectus.



### Payment of benefits to our Promoters

Except as stated in the section “Related Party Transactions” on page 126 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)(za) and 2(1)(zb) of the SEBI ICDR Regulations. In addition to our Promoters named above, the following individuals and entities form a part of the Promoter Group:

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

##### A. Mr. Chandresh Saraswat

Sr. No.	Relationship with Promoter	Name of Relatives
1.	Father	Mr. Santoshkumar Saraswat
2.	Mother	Smt. Abha Santoshkumar Saraswat
3.	Spouse	Mrs. Nisha Chandresh Saraswat
4.	Brother	-
5.	Sister	Mrs. Pooja Sanjeev Saraswat
6.	Son	Mr. Yug Chandra Saraswat
7.	Daughter	Ms. Ankita Chandresh Saraswat
8.	Spouse's Father	Mr. Satya Prakash Sharma
9.	Spouse's Mother	Smt. Malti Satya Prakash Sharma
10.	Spouse's Brother	Mr. Rakesh Sharma Mr. Ravi Sharma Mr. Sanjay Sharma
11.	Spouse's Sister	Smt. Manju Sharma Smt. Poonam Sharma

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.	N.A.
Any Body corporate in which a body corporate as provided above holds ten percent or more of the equity share capital	N.A.
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	1. Chandresh Santoshkumar Saraswat Huf 2. Ankita Marketing (Proprietor: Nisha Saraswat Who is wife of Mr. Chandresh S. Saraswat)
Partnership firm/ LLP in which promoter or any of his relative is having interest.	N.A.

For further details on our Promoter Group refer Chapter Titled “Financial Information of our Group Companies” beginning on page 125 of Draft Prospectus.

##### B. Mr. Santosh Kumar Saraswat

Sr. No.	Relationship with Promoter	Name of Relatives
1.	Father	Late Shri Ramjilal Saraswat
2.	Mother	Late Smt Badaami Devi Saraswat
3.	Spouse	Mrs. Abha Santoshkumar Saraswat
4.	Brother	Mr. Mahesh Chandra Saraswat Mr. Suresh Chandra Saraswat

5.	Sister	Mrs. Sharla Sharma Mrs. Prabha Sharma Ms. Shashi Saraswat
6.	Son	Mr. Chandresh S. Saraswat
7.	Daughter	Mrs. Pooja Sanjeev Saraswat
8.	Spouse's Father	Late Dr. Yashoda Nandan Pathak
9.	Spouse's Mother	Late Smt Rohini Devi Pathak
10.	Spouse's Brother	Mr. Brij Nandan Pathak Mr. Yadu Nandan Pathak Mr. Yug Nandan Pathak
11.	Spouse's Sister	Smt. Maya Saraswat Smt. Sudha Jaitley Smt. Rama Sharma

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.	N.A
Any Body corporate in which a body corporate as provided above holds ten percent or more of the equity share capital	N.A.
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	1. Santosh Kumar Saraswat HUF
Partnership firm/ LLP in which promoter or any of his relative is having interest.	N.A.



## FINANCIAL INFORMATION OF OUR GROUP COMPANIES

The definition of 'group companies' was amended pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2015, to include companies covered under applicable accounting standards and such other companies as are considered material by the Board. Pursuant to a Board resolution dated January 31, 2017, our Board formulated a policy with respect to companies which it considered material to be identified as group companies, pursuant to which no entities are identified as Group Companies of our Company.

### **Dissociation of Promoters in the Last Three Year:**

Our Promoters has not been disassociated from any company/Firm during the last 3 years.

### **Business Interests amongst our Company and Group Company/Associate Company**

As on the date of the Draft Prospectus, we don't have any Group Companies. We further confirm that none of our erstwhile Group Companies have business interest amongst our company and group company/associate company.

### **Changes in Accounting Policies in the last three years**

Except as mentioned under the paragraph Changes in Significant Accounting Policies, "Annexure IV" under Chapter titled "Auditors' Report and Financial Information of our Company" beginning on page 128 of the Draft Prospectus, there have been no changes in the accounting policies in the last three years.

### **Defunct /Struck off Company:**

As on the date of the Draft Prospectus, we don't have any Group Companies. We further confirm that none of our erstwhile Group Companies were defunct and no applications were made to the Registrar of Companies for striking off the name of any of our erstwhile Group Companies during the five years preceding the date of the Draft Prospectus.



## RELATED PARTY TRANSACTIONS

For details of the related party transaction of our Company, see Annexure XVI and Notes IV and V to Accounts to the financial statements respectively, in "Auditors Report and Financial Information of Our Company" beginning from page 128 of this Draft Prospectus.



## DIVIDEND POLICY

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the Annual General Meeting. The shareholders of our Company have the right to decrease not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

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 will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.



## SECTION VI - FINANCIAL INFORMATION

### AUDITORS' REPORT AND FINANCIAL INFORMATION OF OUR COMPANY

#### Restated Standalone Financial Statements

To  
The Board of Directors  
Yug Décor Limited  
1011, Sakar -5, B/h.  
Natraj Cinema,  
Ashram Road,  
Ahmedabad- 380009

Dear Sirs,

#### Subject: Financial Information of Yug Décor Limited

We have examined the attached restated financial information of ("the Company") as approved by the Board of Directors of the Company, prepared in terms of the requirements of Paragraph B, of Part II of Schedule II of the Companies Act, 1956 as amended ('the Act'), read with the general circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and Securities and Exchange Board of India (Issue of Capital & Disclosure Requirement Regulation) 2009 as amended from time to time (the 'SEBI Regulations'), the Guidance note on "Report in Company's Prospectus (Revised)" issued by the Institute of Chartered Accountants of India ('ICAI'), to the extent applicable (Guidance Note') and in terms of our engagement agreed upon with you in accordance with our engagement letter dated 5<sup>th</sup> April, 2017 in connection with the proposed issue of Equity Shares of the Company.

In terms of Schedule VIII, Clause IX of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of the, we, M/s. P.D. Goinka & Co., 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.

These Restated Financial Information have been extracted by the management from the financial statements for the period ended on 30th November ,2016 and Financial years 31st March ,2016, 31<sup>st</sup> March,2015, 31<sup>st</sup> March,2014, 31<sup>st</sup> March,2013 and 31<sup>st</sup> March 2012 audited by M/s P.D. Goinka & Co, being the Statutory Auditors, approved by the Board of Directors for the period ended on 30th Novemebr ,2016 and approved by the Board of Directors and adopted by the Members for the financial year ended 31st March ,2016, 31<sup>st</sup> March,2015, 31<sup>st</sup> March,2014, 31<sup>st</sup> March,2013 and 31<sup>st</sup> March 2012.

#### **Financial Information of the Company**

1. In accordance with the requirements of Paragraph B, Part II of Schedule II to the Act, the SEBI Regulations and the terms of our engagement agreed with you, we further report that"
  - i. The Restated Statement of Asset and Liabilities of the Company as at 30<sup>th</sup> November , 2016, 31st March, 2016 ,31st March 2015, 31<sup>st</sup> March,2014, 31<sup>st</sup> March,2013 and 31<sup>st</sup> March 2012 as set out in "**Annexure I**" to this report read with the Significant Accounting Policies and related Notes in Annexure IV & V are after making such adjustments and regrouping as in

our opinion are appropriate in the year to which they relate and more fully described in Schedules to the Restated Summary Statements.

- ii. The Restated Profits & Loss Statement of the Company for the period ended on 30th November, 2016 and for the financial year ended 31st March, 2016, 31<sup>st</sup> March,2015, 31<sup>st</sup> March,2014, 31<sup>st</sup> March,2013 and 31<sup>st</sup> March 2012 as set out in "**Annexure - II**" to this report read with the Significant accounting policies and related Notes in Annexure IV & V are after making such adjustment and regrouping as in our opinion are appropriate in the year to which they relates and more fully described in Schedules to the Restated Summary Statements.
- iii. The Restated Statement of Cash Flow of the company for the period ended on 30th November, 2016 and for the financial year ended 31st March, 2016, 31<sup>st</sup> March,2015, 31<sup>st</sup> March,2014, 31<sup>st</sup> March,2013 and 31<sup>st</sup> March 2012 as set out in "**Annexure - III**" to this report read with the Significant accounting policies and related Notes in Annexure IV & V are after making such adjustment and regrouping as in our opinion are appropriate in the year to which they relates and more fully described in Schedules to the Restated Summary Statements.

2. Based on the above, we are of the opinion that the Restated Standalone Financial Statements:

- i. Have been made in accordance with the provisions of sub-clause (B) of clause (IX) of Part A of Schedule VIII of the SEBI ICDR Regulations, and after incorporating Adjustments suggested in paragraph 9 of sub-clause (B) of clause (IX) of Part A of Schedule VIII of the SEBI ICDR Regulations, and have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years / period to reflect the same accounting treatment as per the changed accounting policy for all the reporting periods;
- ii. have been made after incorporating adjustments for prior period and other material amounts in the respective financial years / period to which they relate; and do not contain any extra- ordinary items that need to be disclosed separately other than those presented in the restated Standalone Financial Statements and do not contain any qualifications required adjustments.
- iii. There was no qualification in the audit reports issued by the statutory auditors for the respective years which would require adjustment in these Restated Financial Statements.

#### Other Financial information

3. 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 period ended on 30th November, 2016 and for the financial year ended 31st March, 2016, 31<sup>st</sup> March,2015, 31<sup>st</sup> March,2014, 31<sup>st</sup> March,2013 and 31<sup>st</sup> March 2012

- i. Statement of significant accounting policies as appearing in **Annexure IV**
- ii. Statement of notes to accounts as appearing in **Annexure V**
- iii. Statement of Standalone Other Income as appearing in **Annexure VI**
- iv. Statement of Standalone Accounting & Other Ratios as appearing in **Annexure VII**
- v. Statement of Standalone Capitalization of the company as appearing in **Annexure VIII**
- vi. Statement of Standalone Tax Shelters as appearing in **Annexure IX**



- vii. Statement of Standalone Long term Borrowings as appearing in **Annexure X**
- viii. Statement of Standalone Sundry Debtors as appearing in **Annexure XI**
- ix. Statement of Standalone Long term Loans and Advances as appearing in **Annexure XII**
- x. Statement of Standalone Short term Loans and Advances as appearing in **Annexure XIII**
- xi. Statement of Standalone Short term Borrowings as appearing in **Annexure XIV**
- xii. Statement of Standalone Contingent Liabilities & Capital Commitments as appearing in **Annexure XV**
- xiii. Statement of Standalone Related Party Transaction as appearing in **Annexure XVI**
- xiv. Statement of Standalone Dividend paid as appearing in **Annexure XVII**
- xv. Statement of Standalone Investments as appearing **Annexure XVIII**
- xvi. Statement of Standalone Reconciliation as appearing in **Annexure XIX**

In our opinion, the above financial information of the Company read with Significant Accounting Policies & Notes to Accounts attached in Annexure IV, & V to this report, after making adjustments and regrouping as considered appropriate has been prepared in accordance with Part II of the Schedule II of the Act and the SEBI (ICDR) Regulations issued by SEBI, as amended from time to time subject to and read with other notes and is materially consistent with the existing Accounting Standards.

This report should not be in any way construed as a re-issuance or re-dating of any of the previous audit reports issued by us or other statutory auditor, nor should this report be construed as a new opinion on any of the financial statements referred therein.

This report is intended solely for your information and for inclusion in the Offer document in connection with the issue of Equity shares of the Company and is not be used, referred to or distributed for any other purpose without our written consent.

For, P.D. Goinka & Co.  
Chartered Accountants  
FRN: 103260W

C.A Pankaj Goenka  
(Partner)  
Membership No: 110986

Place: Ahmedabad  
Date: 5<sup>th</sup> April, 2017



**Restated Financial Statements along with Restated Summary Statements**  
**Annexure I - Restated standalone Summary Statement of Assets and Liabilities**

₹in Lacs

	Particulars	As at					
		30th November, 2016	31st March, 2016	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012
(1)	<b>Equity &amp; Liabilities</b>						
	(a) Shareholders' Funds	306.18	32.50	30.00	27.28	23.09	18.69
	(b)Reserves & surplus						
	Securities Premium Account	17.24	119.73	108.22	97.34	80.58	62.98
	Net Surplus/(Deficit) in the statement of profit and loss	29.70	36.12	26.04	21.01	16.95	12.90
		<b>46.94</b>	<b>155.85</b>	<b>134.26</b>	<b>118.35</b>	<b>97.53</b>	<b>75.88</b>
	<b>Sub Total.....(1)</b>	<b>353.12</b>	<b>188.35</b>	<b>164.26</b>	<b>145.63</b>	<b>120.62</b>	<b>94.57</b>
(2)	<b>Share Application Money.....(2)</b>					<b>0.70</b>	
(3)	<b>Non-Current Liabilities</b>						
	(a) Long term Borrowings	28.41	43.61	65.18	21.51	34.25	35.80
	(b) Long term Liabilities	7.82	6.25	4.74	34.18	6.71	8.47
	(c) Deferred Tax Liabilities (Net)						
	(d) Long term provisions	8.47	6.20	3.45	1.74	1.43	1.12
	<b>Sub Total.....(3)</b>	<b>44.70</b>	<b>56.06</b>	<b>73.37</b>	<b>57.43</b>	<b>42.39</b>	<b>45.39</b>
(4)	<b>Current Liabilities</b>						
	(a) Short Term Borrowings	143.38	228.16	276.52	237.40	271.56	212.87
	(b) Trade Payables	267.96	285.94	291.28	307.52	322.57	313.14
	(C) Other Current Liabilities	56.38	96.99	76.75	24.26	3.21	0.77
	(d) Short term provisions	8.59	4.44	5.18	0.97	4.61	3.32
	<b>Sub Total.....(4)</b>	<b>476.31</b>	<b>615.53</b>	<b>649.73</b>	<b>570.15</b>	<b>601.95</b>	<b>530.10</b>
	<b>TOTAL LIABILITIES....(1+2+3+4)</b>	<b>874.13</b>	<b>859.94</b>	<b>887.36</b>	<b>773.21</b>	<b>765.66</b>	<b>670.06</b>
	<b>ASSETS</b>						
(4)	<b>Non-Current Assets</b>						
	(a) Fixed Assets						
	Tangible Assets	68.24	67.91	49.56	57.72	51.04	51.43
	Capital work-in-progress	-	-	-	-	-	
	Intangible Assets	0.19	0.08	0.11	0.13	0.01	0.02
		<b>68.43</b>	<b>67.99</b>	<b>49.67</b>	<b>57.85</b>	<b>51.05</b>	<b>51.45</b>
	(b) Non-Current Investments	-	-	-	-	0.03	0.03
	(c) Deferred Tax Assets	4.60	3.19	1.90	0.30	0.53	0.18
	(d) Long term Loans and Advances	1.19	1.19	1.06	1.11	1.16	1.01
	(e) Other non-Current Assets	-	-	-	-	6.00	-
	<b>Sub Total.....( 4)</b>	<b>74.22</b>	<b>72.37</b>	<b>52.63</b>	<b>59.26</b>	<b>58.77</b>	<b>52.67</b>
(5)	<b>Current Assets</b>						
	(a) Current Investments	-	-	-	-	-	-
	(b) Inventories	111.77	91.68	75.97	90.31	107.94	78.56
	(c) Trade Receivables	642.50	674.96	727.55	601.74	573.75	519.95
	(d) Cash and bank balances	30.43	7.43	9.00	6.93	2.43	3.55
	(e) Short Term Loans and Advances	15.21	13.50	22.21	14.97	22.77	15.33
	(f) Other Current Assets	-	-	-	-		
	<b>Sub Total.....( 5)</b>	<b>799.91</b>	<b>787.57</b>	<b>834.73</b>	<b>713.95</b>	<b>706.89</b>	<b>617.39</b>
	<b>TOTAL ASSETS.....(4+5)</b>	<b>874.13</b>	<b>859.94</b>	<b>887.36</b>	<b>773.21</b>	<b>765.66</b>	<b>670.06</b>



Annexure II - Restated Standalone Summary Statement of Profits and Losses

₹ in Lacs

Particulars	For the period ended on 30th November, 2016	For the year ended				
		31st March, 2016	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012
<b>Income from continuing operations</b>						
Revenue from operations						
Manufacturing	1,055.81	1,475.44	1,513.92	1,311.08	1,254.34	1,208.34
Trading	116.51	288.52	119.51	120.87	120.66	73.01
Export Incentive and Export Services	8.45	3.55	33.53	52.12	41.22	23.09
<b>Total</b>	<b>1,180.77</b>	<b>1,767.51</b>	<b>1,666.96</b>	<b>1,484.07</b>	<b>1,416.22</b>	<b>1,304.44</b>
Other Income	1.83	0.35	1.84	2.81	4.36	0.61
<b>Total Revenue</b>	<b>1,182.60</b>	<b>1,767.86</b>	<b>1,668.80</b>	<b>1,486.88</b>	<b>1,420.58</b>	<b>1,305.05</b>
<b>Expenses</b>						
Raw Materail Consumed (Manufacturing and Job Work)	707.10	1,036.72	1,183.29	1,067.68	1,055.42	981.55
Purchases-Traded	116.10	288.42	100.66	59.86	51.58	35.88
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(12.56)	(6.65)	9.13	15.71	(28.81)	16.75
Employee benefits expense	139.47	153.24	127.60	113.25	108.44	82.19
Finance Costs	28.29	56.97	56.92	38.65	39.88	33.69
Other expenses	167.98	210.91	171.68	176.26	179.95	141.38
Depreciation and amortisation expenses	10.51	12.15	12.70	9.37	8.26	8.85
<b>Total Expenses</b>	<b>1,156.89</b>	<b>1,751.76</b>	<b>1,661.98</b>	<b>1,480.78</b>	<b>1,414.72</b>	<b>1,300.29</b>
<b>Restated profit before tax from continuing operations</b>	<b>25.71</b>	<b>16.10</b>	<b>6.82</b>	<b>6.10</b>	<b>5.86</b>	<b>4.76</b>
<b>Exceptional Item</b>						
<b>Tax expense/(income)</b>						
Current tax	10.77	7.30	3.39	1.80	2.16	2.10
Deferred tax charge/(credit)	(1.41)	(1.28)	(1.59)	0.23	(0.35)	(0.57)
<b>Total tax expense</b>	<b>9.36</b>	<b>6.02</b>	<b>1.80</b>	<b>2.03</b>	<b>1.81</b>	<b>1.53</b>
<b>Restated profit after tax from continuing operations (A)</b>	<b>16.35</b>	<b>10.08</b>	<b>5.02</b>	<b>4.07</b>	<b>4.05</b>	<b>3.23</b>
<b>Restated profit for the year (A + B)</b>	<b>16.35</b>	<b>10.08</b>	<b>5.02</b>	<b>4.07</b>	<b>4.05</b>	<b>3.23</b>



**Annexure III - Restated Standalone Summary Statement of Cash Flows**

**₹in Lacs**

Particulars	As at					
	30th November, 2016	31st March, 2016	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>						
Net profit before taxation from continuing operations (as restated)	25.71	16.10	6.82	6.10	5.86	4.76
<b>Non cash adjustments to reconcile profit before tax to net cash flows</b>						
(Profit)/Loss on sale of asset	-	-	-	-	(0.27)	0.81
Depreciation and amortisation expense	10.51	12.15	12.70	9.37	8.26	8.85
Provision for Employee Benefits	2.27	2.75	1.71	0.31	0.31	0.27
Interest income	(1.18)	(0.09)	(0.49)	(0.77)	(0.29)	(0.08)
Interest expense	28.29	56.97	56.92	38.65	39.88	33.69
<b>Operating profit before working capital changes (as restated)</b>	<b>65.60</b>	<b>87.88</b>	<b>77.66</b>	<b>53.66</b>	<b>53.75</b>	<b>48.30</b>
<b>Movement in Working Capital</b>						
(Increase)/decrease in trade receivables	32.46	52.59	(125.81)	(27.99)	(53.80)	(160.98)
(Increase)/decrease in Inventories	(20.09)	(15.71)	14.34	17.63	(29.38)	10.72
(Increase)/decrease in loans and advances	(1.71)	8.71	(7.24)	7.80	(7.44)	3.73
(Increase)/decrease in LT loans and advances	-	(0.13)	0.05	0.05	(0.15)	(1.01)
(Increase)/decrease in Non-Current Investments				0.03	-	-
(Increase)/decrease in other non-current assets	-	-	-	6.00	(6.00)	-
Increase/(decrease) in trade payables	(17.98)	(5.34)	(16.24)	(15.05)	9.43	133.34
Increase/(decrease) in other long term liabilities	1.57	1.51	(29.44)	27.47	6.71	-
Increase/(decrease) in other current liabilities	(40.61)	20.24	52.49	21.05	(6.03)	4.21
Increase/(decrease) in Short Term provisions	(0.56)	0.27	1.50	(2.13)	1.72	(0.62)
<b>Cash flow from operations</b>	<b>18.68</b>	<b>150.02</b>	<b>(32.69)</b>	<b>88.52</b>	<b>(31.19)</b>	<b>37.69</b>
Direct taxes paid (including fringe benefit taxes paid) (net of refunds)	(6.08)	(8.30)	(0.67)	(3.38)	(2.60)	(0.06)
Dividend and Dividend Distribution Tax						
<b>Net cash generated from operating activities (A)</b>	<b>12.60</b>	<b>141.72</b>	<b>(33.36)</b>	<b>85.14</b>	<b>(33.79)</b>	<b>37.63</b>
<b>B. CASH FLOW USED IN</b>						

<b>INVESTING ACTIVITIES</b>						
Purchase of fixed assets, including intangible assets, capital work in progress and capital advances	(10.94)	(30.49)	(4.53)	(18.96)	(10.58)	(6.25)
(Purchase)/Sale of investments		-		2.85	3.00	1.35
Interest received	1.18	0.09	0.49	0.77	0.29	0.08
<b>Net cash used in investing activities (B)</b>	<b>(9.76)</b>	<b>(30.40)</b>	<b>(4.04)</b>	<b>(15.34)</b>	<b>(7.29)</b>	<b>(4.82)</b>
<b>C. CASH FLOW FROM /(USED IN) FINANCING ACTIVITIES</b>						
Proceeds from Long term Borrowings	(15.20)	(21.57)	43.67	(12.74)	(1.55)	(6.43)
Proceeds from Short term Borrowings	(84.78)	(48.36)	39.12	(34.16)	58.69	(1.99)
Proceeds from issue of Share Capital	93.68	2.50	2.72	4.19	4.40	2.59
Share Capital & Share Application Money	-	-	-	(0.70)	0.70	(23.83)
Share Premium	54.75	11.51	10.88	16.76	17.60	23.30
Interest paid	(28.29)	(56.97)	(56.92)	(38.65)	(39.88)	(33.69)
<b>Net cash generated from/(used in) financing activities (C)</b>	<b>20.16</b>	<b>(112.89)</b>	<b>39.47</b>	<b>(65.30)</b>	<b>39.96</b>	<b>(40.05)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>23.00</b>	<b>(1.57)</b>	<b>2.07</b>	<b>4.50</b>	<b>(1.12)</b>	<b>(7.24)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>7.43</b>	<b>9.00</b>	<b>6.93</b>	<b>2.43</b>	<b>3.55</b>	<b>10.79</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>30.43</b>	<b>7.43</b>	<b>9.00</b>	<b>6.93</b>	<b>2.43</b>	<b>3.55</b>



## Annexure IV: Significant Accounting Policies

### A) i Accounting basis and Convention

The Financial Statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India. The company has been following accrual System of accounting both as to income and expenditure.

The assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

### ii Revenue Recognition

Sale of Products is recognized when substantial risk and rewards of ownership in the goods are transferred to the buyers, which is generally on the dispatch of goods. Sales include Excise duty and Sales tax / VAT / CST so far as it is taxable and excludes returns.

Sale of services is recognized on rendering of services based on agreements/arrangements with the concerned parties.

### iii Use of Estimates

The preparation of financial statements requires estimates and assumptions which affect the reported amount of assets, liabilities, revenues and expense of the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known or materialized.

### B) Fixed Assets:

#### (i) Tangible assets

Tangible assets are stated at cost of acquisition or construction less accumulated depreciation.

#### (ii) Intangible assets

Intangible assets are stated at cost of acquisition less accumulated amortisation.

### C) Depreciation / Amortisation:

Pursuant to Companies Act, 2013 ('the Act') being effective from April 1, 2014, the Company has revised depreciation rates on tangible fixed assets as per useful life specified in Part 'C' of Schedule II of the Act. And due to the same there has been a change in the estimated useful life of depreciable tangible assets which affects the depreciation in the current period and in each period during the remaining useful life of the assets. As the change is only in regard to accounting estimate requiring an adjustment of the carrying amount of tangible assets. The same do not require adjustment in the financial information for the years ended on March 31, 2014, 2013, and 2012. The Company has consistently calculated depreciation based on WDV method.

Intangible assets are amortised on a straight line basis in five annual installments.



**D) Inventories:**

Inventories are valued at lower of cost and net realisable value. Cost is generally ascertained on FIFO basis. In case of work-in-progress and finished goods, appropriate overheads are included. Obsolete inventories are adequately provided for. Excise duty of finished goods lying in factories and custom duty on raw materials in bonded ware house are considered for valuation of inventories, as applicable.

**E) Borrowing cost:**

Borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those fixed assets which necessarily take a substantial period of time to get ready for their intended use) are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**F) Investments:**

Investments are stated at Cost.

**G) Income Tax Accounting:**

(a) Current Tax Provision is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961.

(b) Deferred Tax is recognised, on timing difference, being the difference between taxable income and book profits that originate in one period and are capable of reversal in one or more subsequent periods.

**H) Contingent Liabilities:**

Contingent liabilities are not provided for in the accounts and are shown separately in the notes on accounts

**I) Impairment of Assets:**

At each balance sheet date, the company assesses whether there is any indication that an asset may be impaired. If any indication exists, The Company estimates the recoverable amount. If the carrying amount of the asset exceeds its estimated recoverable amount, an impairment loss is recognised in the Statement of Profit and Loss to the extent of carrying amount exceeds recoverable amount.

**J) Provisions:**

Provisions are recognised when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

**K) Cash and Cash Equivalents:**

Cash and Cash equivalents includes cash and cheque on hand, demand deposits with banks, fixed deposits and other short term highly liquid investments with original maturities of three months or less.

**L) Foreign Currency Transactions:**

Transactions in foreign currencies are recorded in Indian Rupees using the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, recorded monetary balances are reported in Indian Rupees at the rates of exchange prevailing at the balance sheet date. All realised and unrealised exchange adjustment gains and losses are dealt with in the profit and loss account.



**M) Employee Benefits:**

Employee benefits payable wholly within twelve months of the end of the reporting period are classified as short term employee benefits and are recognized as the employee renders service on an undiscounted basis. Contribution to Defined Contribution Scheme such as Provident Fund is charged to Statement of Profit and Loss as incurred. The Company also provide for retirement/ post-retirement benefits in the form of gratuity. Such benefits are provided for based on valuations, as at the balance sheet date, made by independent Actuaries. Actuarial gain and losses are recognized immediately in the Statement of Profit and Loss.

**Annexure V: Notes on Financial Statements**

**1. SHARE CAPITAL**

(Amount in Lakhs)

	Particulars	For the period From	For the Financial Year ended on				
			31st March, 2016 to 30 <sup>th</sup> November, 2016	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012
1.	<b>SHARE CAPITAL</b>						
	Authorized	325.00	40.00	30.00	30.00	24.50	20.00
	Issue, Subscribed & Paid up	306.18	32.50	30.00	27.28	23.09	18.69

**1.1 Details of Shareholders holding more than 5% shares**

	Name of Share Holder	AS At									
		30th November, 2016		31st March, 2016		31st March, 2015		31st March, 2014		31st March, 2013	
		No. of Shares	% Held	No. of Shares	% Held	No. of Share	% Held	No. of Share	% Held	No. of Share	% Held
	Abha Saraswat	339,468	11.09	8,776	15.01	8,776	6.26	8,776	17.88	8,776	1.13
	Chandresh Saraswat	792,051	25.87	7,182	26.83	2,182	0.73	7,567	17.44	7,567	6.27
	Chandresh Saraswat HUF	220,920	7.22	7,850	8.57	7,850	9.28	9,850	7.28	9,850	8.60
	Nisha Saraswat	241,965	7.90	7,080	5.26	7,080	5.69	7,080	6.26	-	-
	Santosh Kumar Saraswat	535,735	17.50	3,270	22.54	3,270	4.42	3,270	26.86	3,270	1.73
	Santosh Kumar Saraswat HUF	204,961	6.69	2,842	10.11	2,842	0.95	8,242	10.35	2,242	9.63

**1.2 The Reconciliation of the Number of shares outstanding is set out below.**

Particulars	As at					
	30th November, 2016	31st March, 2016	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012
Equity Shares at the beginning of the year	325,000	300,000	272,785	230,885	186,885	161,000
Add: Bonus Shares issued during the year	1,800,000	-	-	-	-	-
Add: Fresh Shares issued during the year	936,766	25,000	27,215	41,900	44,000	25,885
<b>Equity Shares at the end of the year</b>	<b>3,061,766</b>	<b>325,000</b>	<b>300,000</b>	<b>272,785</b>	<b>230,885</b>	<b>186,885</b>



1.3 Rights, Preferences and restrictions attached to shares

The Equity shares of the Company, having face value of ₹ 10/- per share, rank pari passu in all respects including voting rights and entitlement of dividend

**2. RESERVES AND SURPLUS**

(Amount in Lakhs)

Sr. No.	Particulars	For the period From From 1 <sup>st</sup> April, 2016 to 30 <sup>th</sup> November, 2016	31st March, 2016	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012
	<b>Securities Premium</b>						
	As per Last Balance Sheet	119.73	108.22	97.34	80.58	62.98	39.68
	Add: On Issue of Shares	54.73	11.51	10.88	16.76	17.60	23.30
	Total	174.46	119.73	108.22	97.34	80.58	62.98
	Less: Utilized in issue of Bonus Shares	(157.22)	-	-	-	-	-
	<b>Closing Balance (Total A)</b>	<b>17.24</b>	<b>119.73</b>	<b>108.22</b>	<b>97.34</b>	<b>80.58</b>	<b>62.98</b>
	Profit and Loss Account Balance						
	As per Last Balance Sheet	36.12	26.04	21.01	16.95	12.90	9.67
	Add: Profit for the year	16.35	10.08	5.03	4.06	4.05	3.23
	Total	52.47	36.12	26.04	21.01	16.95	12.90
	Less: Utilized for issue of Bonus Shares	(22.77)	-	-	-	-	-
	<b>Closing Balance (Total B)</b>	<b>29.70</b>	<b>36.12</b>	<b>26.04</b>	<b>21.01</b>	<b>16.95</b>	<b>12.90</b>
	<b>Grand Total (A + B)</b>	<b>46.94</b>	<b>155.85</b>	<b>134.26</b>	<b>118.35</b>	<b>97.53</b>	<b>75.88</b>
3.	<b>DEFERRED TAX ASSET / (LIABILITY)</b>	4.60	3.19	1.90	0.30	0.53	0.18
	<b>Total</b>	<b>4.60</b>	<b>3.19</b>	<b>1.90</b>	<b>0.30</b>	<b>0.53</b>	<b>0.18</b>
4.	<b>LONG TERM LIABILITIES</b>						
	Security Deposits (Distributors)	7.82	6.25	4.74	34.18	6.71	8.47
	<b>Total</b>	<b>7.82</b>	<b>6.25</b>	<b>4.74</b>	<b>34.18</b>	<b>6.71</b>	<b>8.47</b>
5.	<b>LONG TERM PROVISIONS</b>						
	Provision for Gratuity	8.47	6.20	3.45	1.74	1.43	1.12
	<b>Total</b>	<b>8.47</b>	<b>6.20</b>	<b>3.45</b>	<b>1.74</b>	<b>1.43</b>	<b>1.12</b>
6.	<b>TRADE PAYABLES</b>						
	Total Outstanding dues to Micro and Small Enterprises	-	-	-	-	-	-
	Total Outstanding dues of creditors other than Micro and Small Enterprises	267.96	285.94	291.28	307.52	322.57	313.14
	<b>Total</b>	<b>267.96</b>	<b>285.94</b>	<b>291.28</b>	<b>307.52</b>	<b>322.57</b>	<b>313.14</b>

<b>7. OTHER CURRENT LIABILITIES</b>						
Current Maturities of Long Term Borrowings	38.74	73.36	57.10	17.90	-	-
Duties and Taxes	1.60	4.86	0.91	3.53	3.21	0.63
Payable to Employees	6.89	5.47	8.52	1.63	-	0.14
Creditor for Expenses	9.15	13.30	10.22	1.20	-	-
	<b>56.38</b>	<b>96.99</b>	<b>76.75</b>	<b>24.26</b>	<b>3.21</b>	<b>0.77</b>
<b>8. SHORT TERM PROVISION</b>						
Income Tax Payable (Net of Advance Tax and TDS)	6.53	1.81	2.82	0.10	1.62	2.05
Provision for Excise Duty on Finished Goods	2.06	2.63	2.36	0.87	2.91	1.27
(Net of CENVAT Credit Receivable)						
CST payable			-	-	0.08	-
	<b>8.59</b>	<b>4.44</b>	<b>5.18</b>	<b>0.97</b>	<b>4.61</b>	<b>3.32</b>
<b>9. INVENTORIES</b>						
Raw Materials	56.59	47.19	25.13	37.12	34.68	37.23
Packing Materials	18.54	20.41	14.50	12.34	18.53	10.51
Work in Progress	3.97	3.70	0.46	-	-	4.43
Traded Goods	3.63	2.33	2.20	5.97	13.90	-
Finished Goods	29.04	18.05	14.78	20.60	28.37	9.04
Consumables	-	-	18.90	14.28	12.46	17.35
	<b>111.77</b>	<b>91.68</b>	<b>75.97</b>	<b>90.31</b>	<b>107.94</b>	<b>78.56</b>
<b>10. CASH AND BANK BALANCES</b>						
<b>Cash and Cash Equivalent</b>						
Cash on Hand	4.83	0.08	1.80	0.92	2.25	2.66
-Balances with Banks						
In Current Account	3.54	0.28	0.13	0.01	0.18	0.89
	<b>8.37</b>	<b>0.36</b>	<b>1.93</b>	<b>0.93</b>	<b>2.43</b>	<b>3.55</b>
<b>Other Bank Balances</b>						
In Term Deposit Accounts (Term Deposit Receipts marked lien with Bank towards Cash Credit) (Maturity more than 3 months but less than 12 months)	22.06	7.07	7.07	6.00	-	-
	<b>30.43</b>	<b>7.43</b>	<b>9.00</b>	<b>6.93</b>	<b>2.43</b>	<b>3.55</b>
<b>11. REVENUE FROM OPERATIONS</b>						
Sales of Products- Manufacturing	1,055.81	1,475.44	1,513.91	1,311.08	1,254.34	1,208.34
Sales of Products- Trading	116.51	288.52	119.51	120.87	120.66	73.01
Export Incentives	1.16	1.39	4.65	8.31	10.49	3.96
Export Service	7.29	2.16	28.89	43.81	30.73	19.13
	<b>1,180.77</b>	<b>1,767.51</b>	<b>1,666.96</b>	<b>1,484.07</b>	<b>1,416.22</b>	<b>1,304.44</b>

<b>12. COST OF MATERIAL CONSUMED</b>						
<b>Raw Materials</b>						
Opening Stock	47.18	25.13	37.12	34.68	37.24	32.17
Add : Purchase	582.37	874.86	961.78	876.35	885.38	842.31
Add: Freight Inward	10.46	12.00	15.77	12.79	8.38	4.11
	640.01	911.99	1,014.67	923.82	931.00	878.59
Less: Closing Stock	56.59	47.18	25.13	37.12	34.68	37.24
Less: Quantity Based Advance License	-	-	-	-	4.07	-
<b>Total (A)</b>	<b>583.42</b>	<b>864.81</b>	<b>989.54</b>	<b>886.70</b>	<b>892.25</b>	<b>841.35</b>
<b>Packing Materials</b>						
Opening Stock	20.41	14.50	12.34	18.53	10.51	15.45
Add : Purchase	121.35	177.32	195.45	174.03	169.89	133.80
Add: Packing Expenses	0.46	0.50	0.46	0.76	1.30	1.46
	142.22	192.32	208.25	193.32	181.70	150.71
Less: Closing Stock	18.54	20.41	14.50	12.34	18.53	10.51
<b>Total (B)</b>	<b>123.68</b>	<b>171.91</b>	<b>193.75</b>	<b>180.98</b>	<b>163.17</b>	<b>140.20</b>
<b>Total Cost of Material Consumed (A+B)</b>	<b>707.10</b>	<b>1,036.72</b>	<b>1,183.29</b>	<b>1,067.68</b>	<b>1,055.42</b>	<b>981.55</b>
<b>13. PURCHASE OF STOCK IN TRADE</b>						
Purchase	115.80	288.02	100.24	59.45	51.15	35.74
Freight Inward and Other Expenses	0.30	0.40	0.42	0.41	0.43	0.14
	<b>116.10</b>	<b>288.42</b>	<b>100.66</b>	<b>59.86</b>	<b>51.58</b>	<b>35.88</b>
<b>14. CHANGES IN INVENTORIES OF FINISHED GOODS,</b>						
<b>WORK IN PROGRESS AND STOCK IN TRADE</b>						
<b>Opening Balance</b>						
Finished Goods- Traded	2.33	2.20	5.97	13.90	-	-
Finished Goods- Manufactured	18.05	14.78	20.60	28.38	9.04	18.13
Work-In- Progress	3.71	0.46	-	-	4.43	12.09
	24.09	17.44	26.57	42.28	13.47	30.22
<b>Closing Balance</b>						
Finished Goods- Traded	3.63	2.33	2.20	5.97	13.90	-
Finished Goods- Manufactured	29.04	18.05	14.78	20.60	28.38	9.04
Work-In- Progress	3.98	3.71	0.46	-	-	4.43
<b>Decrease/ (Increase) in Stock</b>	<b>(12.56)</b>	<b>(6.65)</b>	<b>9.13</b>	<b>15.71</b>	<b>(28.81)</b>	<b>16.75</b>
<b>15. EMPLOYEE BENEFIT EXPENSES</b>						
Salary, Wages and Bonus	136.53	149.63	124.99	112.00	106.77	80.17
Contribution to Provident Fund	0.38	0.57	0.53	0.53	0.64	0.67
Security Guard	0.17	0.11	0.15	0.21	0.48	0.90
Workmen Compensation Insurance	0.12	0.18	0.18	0.11	0.20	0.16
Staff Welfare	-	-	0.04	0.09	0.04	0.02
Gratuity Expenses	2.27	2.75	1.71	0.31	0.31	0.27

		139.47	153.24	127.60	113.25	108.44	82.19
<b>16. OTHER EXPENSES</b>							
1. Consumption of Stores and spare parts		0.21	0.27	0.28	0.28	0.20	0.19
2. Power & fuel		8.42	11.94	14.03	13.72	13.05	11.19
3. Rent Expenses		10.30	9.24	8.15	5.96	4.54	3.24
4. Rates, Taxes & Professional Tax		0.42	0.62	1.04	1.18	0.82	1.02
5. Auditor Remuneration		0.30	0.70	0.70	0.70	0.70	0.65
6. Bank Charges		2.26	3.13	3.05	5.12	6.32	1.97
7. Books & Periodicals		0.02	0.03	0.03	0.02	0.02	0.04
8. Brokerage & Commission		6.01	7.17	2.00	3.40	8.06	1.79
9. Conveyance		2.86	4.99	4.18	5.26	3.03	3.41
10. Petrol/Diesel Delivery Vehicles		1.62	1.91	1.89	1.99	1.69	1.66
11. Insurance		1.39	1.35	0.92	0.81	1.48	0.87
12. Electricity Expenses		2.38	1.09	0.92	0.73	0.34	1.84
13. Freight & Clearance Expenses		4.86	5.57	9.50	13.32	21.49	9.74
14. General Charges		2.19	3.07	2.88	3.22	4.13	2.44
15. Legal & Professional Fees		2.00	1.69	1.61	2.24	1.78	2.04
16. Postage & Courier		0.55	0.99	0.87	0.84	0.91	0.69
17. Printing & Stationary		0.74	0.82	1.35	1.07	1.42	1.58
18. Scheme, Sample, Rebate & Discount		25.79	32.88	21.48	23.33	24.66	17.41
19. Repairs & Maintenance		5.10	5.57	4.23	6.80	4.10	6.24
20. Telephone, Mobile and internet charges		0.70	1.12	1.07	1.22	1.38	1.62
21. Advertisement & Sales Promotion Expenses		3.76	5.13	0.96	0.11	2.40	0.92
22. Travelling Expenses		17.04	17.43	15.03	7.39	5.88	9.14
23. Service Tax Expenses		0.11	0.35	0.06	0.11	0.18	0.01
24. Excise Duty Expenses		-	-	(0.01)	(0.30)	1.64	(0.63)
25. VAT Reversal on CST Sales Expenses		4.95	7.76	12.63	12.06	9.99	9.98
26. VAT and CST Expenses		52.56	83.93	62.83	65.41	60.02	51.52
27. Export Incentive Expenses Written off		-	1.91	-	-	-	-
28. Loss/ (Profit) on sale of Fixed Asset		-	-	-	(0.05)	(0.28)	0.81
29. Share Capital Increase Expenses		4.20	0.25	-	-	-	-
30. Bad Debt Written Off		7.24	-	-	0.32	-	-
		<b>167.98</b>	<b>210.91</b>	<b>171.68</b>	<b>176.26</b>	<b>179.95</b>	<b>141.38</b>

17. In opinion of the Board, the provisions for known liabilities are adequate and current assets in the ordinary course of business have a value of at least equal to the amount at which they are stated.
18. Debtors, Creditors, Loans & Advances are subject to confirmation by parties. The company has issued confirmation letters to such parties and differences if any shall be reconciled in the current year.
19. There is no Micro and Small Enterprises to whom the company owes dues, which are outstanding for more than 45 days as at 30th November,2016. This information as required to be disclosed under the Micro, Small and Medium Enterprises development Act,2006 has been determined to the extent such parties have been identified on the basis of the information available with the Company.



#### Annexure VI - Restated Standalone Statement of Other Income

₹in Lacs

Particulars	For the period ended on 30th November, 2016	For the year ended on					Remark
		31st March, 2016	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012	
<b>Recurring Income</b>							
Interest Income		1.18	0.09	0.49	0.77	0.29	0.08
Exchange Gain		0.65	0.26	1.35	2.04	4.07	0.53
<b>Total Other Income</b>		<b>1.83</b>	<b>0.35</b>	<b>1.84</b>	<b>2.81</b>	<b>4.36</b>	<b>0.61</b>

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

₹in Lacs

Particulars		As at					
		30th November, 2016	31st March, 2016	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012
Basic & diluted earnings per share (Rs.) after considering Bonus Issue*	A/B	1.07	0.48	0.24	0.20	0.20	0.16
Return on Net Worth ( in Percentage)*	A/C	2.81	1.17	0.57	0.53	0.53	0.48
Net Asset Value per equity share (Rs.)	C/D	11.53	8.86	7.82	7.03	5.94	4.76
Net Profit after tax as restated attributable to equity shareholders (Rs. Lacs)	A	16.35	10.08	5.02	4.07	4.05	3.23
Weighted average number of equity shares outstanding at year end	B	2,284,354	2,100,342	2,073,531	2,046,496	1,990,622	1,965,184
Net Worth at the end of the year	C	353.12	188.35	164.26	145.63	120.62	94.57
Total number of equity shares outstanding at the end of the year	D	3,061,766	2,125,000	2,100,000	2,072,785	2,030,885	1,986,885

\* Annualised Basis



### Notes:-

a) Basic earnings per share (Rs.) Net profit after tax (as restated) attributable to shareholders  
Weighted average number of equity shares outstanding during the year

EPS Calculation has been done as per Accounting Standard-20, "Earnings Per Share" issued by The Institute of Chartered Accountants of India.

b) Return on net worth (%) 
$$\frac{\text{Net Profit after tax as restated}}{\text{Net worth at the end of the year}}$$

c) Net asset value per share (Rs.) 
$$\frac{\text{Net Worth at the end of the Year}}{\text{Total number of equity shares outstanding at the end of the year}}$$

## Annexure VIII -Standalone Capitalisation Statement

₹in Lacs

Particular	Pre Issue as on 30.11.2016	Pre Issue as on 31.03.2016	Post Issue
<b>Debt</b>			
Long Term Debt	28.41	43.61	[●]
Short Term Debt	143.38	228.16	[●]
<b>Total Debts (A)</b>	<b>171.79</b>	<b>271.77</b>	[●]
<b>Equity (shareholders' funds)</b>			
Equity share capital	306.18	32.50	[●]
Reserve and surplus	46.94	155.85	[●]
<b>Total Equity (B)</b>	<b>353.12</b>	<b>188.35</b>	[●]
<b>Long Term Debt / Equity Shareholders' funds</b>	<b>0.08</b>	<b>0.23</b>	[●]
<b>Total Debt / Equity Shareholders' funds</b>	<b>0.49</b>	<b>1.44</b>	[●]

## Annexure IX - Restated Standalone Statement of Tax Shelter

₹in Lacs

Particular	AS AT 31ST MARCH,				
	2016	2015	2014	2013	2012
Normal Corporate tax rates	30.900%	30.900%	30.900%	30.900%	30.90%
Minimum alternative tax rates	19.055%	19.055%	19.055%	19.055%	18.540%
<b>Profit before tax as per Restated P/L</b>	<b>16.10</b>	<b>6.82</b>	<b>6.10</b>	<b>5.86</b>	<b>4.76</b>
<b>Notional tax as per tax rate on profits (A)</b>	<b>4.97</b>	<b>2.11</b>	<b>1.88</b>	<b>1.81</b>	<b>1.47</b>
<b>Exempted income</b>					
<b>Profit on Sale of Asset</b>			(0.05)	(0.28)	
<b>Total Exempted Income (B)</b>			(0.05)	(0.28)	
<b>Permanent Difference</b>	-	-	-	-	
Loss on Sale of Asset	-	-	-	-	0.81
Interest and Penalty	2.03	0.05	-	0.21	
Increase in Share capital fees	0.25				
<b>Total Permanent Difference (C)</b>	<b>2.28</b>	<b>0.05</b>	<b>-</b>	<b>0.21</b>	<b>0.81</b>
<b>Timing Difference</b>	-	-	-	-	
Depreciation - including unabsorbed	1.42				

depn		3.45	(1.00)	1.10	0.78
Gratuity Expenses	2.75	1.71	0.31	0.31	0.27
Amount Disallowable U/S 40			0.19	0.08	
<b>Total Timing Difference (D)</b>	<b>4.17</b>	<b>5.16</b>	<b>(0.50)</b>	<b>1.49</b>	<b>1.05</b>
<b>Total Adjustments (E) = (B+C+D)</b>	<b>6.45</b>	<b>5.21</b>	<b>(0.55)</b>	<b>1.42</b>	<b>1.86</b>
<b>Tax Expenses / (savings) thereon (F)=(E)*Tax rate</b>	<b>1.99</b>	<b>1.61</b>	<b>(0.17)</b>	<b>0.44</b>	<b>0.57</b>
Tax payable as per normal provisions (other than 115JB )of the Act (G)	6.96	3.72	1.71	2.25	2.04
<b>Tax under MAT (I)</b>	<b>3.07</b>	<b>1.30</b>	<b>1.16</b>	<b>1.12</b>	<b>0.88</b>
<b>Tax payable for the year maximum of (G) or (I)</b>	<b>6.96</b>	<b>3.72</b>	<b>1.71</b>	<b>2.25</b>	<b>2.04</b>

#### Annexure X - Restated Standalone Statement of Long-Term Borrowings

₹in Lacs

Particulars	As at					
	For the period ended on 30th November, 2016	31st March, 2016	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012
<b>Long term-borrowings</b>						
<b>Rupee term loans (secured)</b>						
From banks ( Vehicle Loan)			1.85	6.47	5.70	0.37
From Financial Institutions/NBFC	11.71	13.91	-	-	-	3.43
<b>Total Secured loans</b>						
From Financial Institutions/NBFC	13.40	26.30	61.23	6.55	7.48	5.08
Other (unsecured)	3.30	3.40	2.10	8.49	21.07	26.92
<b>Total Long-Term Borrowings</b>	<b>28.41</b>	<b>43.61</b>	<b>65.18</b>	<b>21.51</b>	<b>34.25</b>	<b>35.80</b>

Principal terms and conditions	Vehicle loan	Flexi Business Loan		Business Loan	
Name of the NBFC	Volkswagen Finance Private Limited	Bajaj Finserve	Bajaj Finserve	Capital First Limited	Capital First Limited
Loan amount ( Rs In Lacs)	17.94	16.2	30.05	23.8	25
EMI ( in Rs)	37520	59383	109394	86342	90695
Tenor of loan ( in months)	60	36	36	36	36
Outstanding as on 30th November, 2016					
In Long Term Borrowing	11.71	5.45	-	7.95	-
In Other Current Liability	3.01	5.14	5.02	7.58	4.97

#### Annexure XI- Restated Standalone Statement of Trade Receivables (Unsecured, considered good)



₹in Lacs

Particulars	As at					
	For the period ended on 30th November, 2016	31st March, 2016	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012
Outstanding for a period exceeding six months from the date they are due for payment	33.25	51.93	49.08	24.50	15.95	7.29
Other trade receivables	609.25	623.03	678.47	577.24	557.80	512.66
<b>Total</b>	<b>642.50</b>	<b>674.96</b>	<b>727.55</b>	<b>601.74</b>	<b>573.75</b>	<b>519.95</b>

Amount due from Promoter/Group Co./Directors

Outstanding for a period exceeding six months from the date they are due for payment	-	-	-	-	-	-
<b>Sub-Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other trade receivables</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Sub-Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Annexure XII - Restated Standalone Statement of Long-Term Loans and Advances

₹in Lacs

Particulars	As at					
	For the period ended on 30th November, 2016	31st March, 2016	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012
<b>A. Long-term loans and advances</b>						
Unsecured, considered good						
Security deposits	1.19	1.19	1.06	1.11	1.16	1.01
Loans and Advances to Employees						
<b>Total Long-term loans and advances (A)</b>	<b>1.19</b>	<b>1.19</b>	<b>1.06</b>	<b>1.11</b>	<b>1.16</b>	<b>1.01</b>



Annexure XIII - Restated Standalone Statement of Short-Term Loans and Advances

₹ in Lacs

Particulars	As at					
	For the period ended on 30th November, 2016	31st March, 2016	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012
<b>A. Short-term loans and advances</b>						
Unsecured, considered good						
Advance Receivable in Cash or kind	12.04	11.92	21.53	14.23	21.04	14.04
Security Deposit	3.17	1.29	0.65	0.65	1.70	1.15
Balance with Excise Department		0.29	0.03	0.09	0.03	0.14
<b>Total loans &amp; advances (A)</b>	<b>15.21</b>	<b>13.50</b>	<b>22.21</b>	<b>14.97</b>	<b>22.77</b>	<b>15.33</b>

Amounts due from Directors / Promoters / Promoter Group Companies / Relatives of Promoters / Relatives of Directors / Subsidiary Companies

Particulars	As at					
	For the period ended on 30th November, 2016	31st March, 2016	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012
NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Annexure XIV -Standalone Statement of short term borrowings

Particulars	As at					
	For the period ended on 30th November, 2016	31st March, 2016	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012
Working Capital loans						
Allahabad Bank	143.38	228.16	276.51	237.40	242.92	189.52
Vehicle loans	-	-	-	-	4.11	4.17
NBFCs	-	-	-	-	24.53	15.89
From Directors	-	-	-	-	-	2.90
From Relatives of Directors	-	-	-	-	-	0.39
<b>Total</b>	<b>143.38</b>	<b>228.16</b>	<b>276.51</b>	<b>237.40</b>	<b>271.56</b>	<b>212.87</b>



### Principal Terms and Conditions of Allahabad Bank

<b>Rate of Interest</b>	MCLR+3%
<b>Margins</b>	
Stock	25%
Book Debts	25%
<b>Personal Guarantee</b>	Mr. Santoshkumar P Saraswat
	Mr. Chandresh S. Saraswat
	Smt Abha S. Saraswat
	Ankita Saraswata
<b>Security</b>	
Primary	Hypothecation charge over entire current assets of the firm
Collateral	Equitable mortgage of factory land and building at plot No Block No 832 Near Kothari Char Rasta, Behind Ambica Estate, Santej, Tal Kalol, Dist Gandhinagar
	Equitable mortgage of office situated at 1011, Sakar V, Behind old Natraj Cinema, Ashram road, Ahmedabad
	Hypothecation of entire plant and machinery of the company
	Pledge of DDP of Rs. 6.00 and Rs. 15.00 lacs

### Annexure XV - Restated Standalone Statement of Contingent Liabilities

Particulars	₹ in Lacs					
	For the period ended on 30th November, 2016	31st March, 2016	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012
Sales tax matter under litigation	5.89	5.89	7.38	7.38	7.38	Nil

### Annexure XVI - Restated Standalone Statement of Related Party Transactions

Nature of Transaction / Name of Related Party		For the period ended on 30th November, 2016	During the year ended March 31,				
Remuneration and allowance	Nature of relationship		2016	2015	2014	2013	2012
Abha Saraswat	Director	4.52	4.22	3.35	3.27	3.34	1.93
Chandresh Saraswat	Director	4.76	7.15	2.60	2.60	3.25	1.79
Ankita Saraswat	Director	3.03	4.55	1.30	2.60	2.44	-
Pooja Saraswat	Relative of Director	1.77	2.37	2.37	1.65	-	-
<b>Rent</b>							
Chandresh Saraswat	Director	2.00	1.74	1.74	1.74	1.74	0.60
<b>Equity Share capital</b>							
Abha Saraswat	Director	8.12	-	-	-	-	0.41
Santoshkumar Saraswat	Relative of						

	Director	15.30	-	-	4.25	15.00	1.75
Chandresh Saraswat	Relative of Director	35.34	14.00	7.31	5.00	0.40	3.05
Ankita Saraswat	Director	5.70	-	-	-	-	1.00
Chandresh Saraswat H.U.F.	Relative of Director	7.85	-	4.00	-	-	11.25
Nisha Saraswat	Relative of Director	17.57	-	-	1.20	5.45	6.18
Sanjeev Saraswat		5.04	-	-	-	-	-
Santoshkumar Saraswat	Relative of Director	2.70	-	2.30	3.00	1.60	2.24
Pooja Saraswat	Director	-	-	-	2.00	3.00	-
Asha Saraswat		-	-	-	-	2.00	-
Share Application Money							
Santoshkumar Saraswat	Relative of Director	-	-	-	-	-	1.75
<b>Loan Taken by the Company</b>							
Abha Saraswat		-	-	1.30	-	-	-
Chandresh Saraswat	Director	4.00	35.00	5.45	1.00	0.70	11.20
Nisha Saraswat	Relative of Director	-	-	-	-	-	3.50
Chandresh Saraswat H.U.F.	Relative of Director	-	-	4.77	-	-	-
Santoshkumar Saraswat	Relative of Director	-	-	2.30	-	-	-
<b>Loan repaid By the Company</b>							
Abha Saraswat		-	-	1.33	-	-	-
Chandresh Saraswat	Director	4.10	33.70	6.21	-	7.90	9.02
Nisha Saraswat		-	-	-	-	0.02	3.98
Nitin Saraswat		-	-	-	-	0.38	0.62
Chandresh Saraswat H.U.F.		-	-	8.03	-	-	-
Santoshkumar Saraswat H.U.F.		-	-	4.63	-	-	-
Santosh Saraswat		-	-	-	-	15.13	1.75
<b>Balance outstanding</b>		-	-	-	-	-	-
Abha Saraswat		1.30	1.30	1.30	1.33	1.33	1.33
Chandresh Saraswat		2.00	2.10	0.80	1.56	0.56	7.76
Nisha Saraswat		-	-	-	-	-	0.02
Nitin Saraswat		-	-	-	-	-	0.38
Chandresh Saraswat H.U.F.		-	-	-	3.26	3.26	3.26
Santoshkumar Saraswat H.U.F.		-	-	-	2.33	2.33	2.33
Santosh Saraswat		-	-	-	-	-	15.13
<b>Interest Expenses</b>							
Chandresh Saraswat		-	-	-	-	-	0.72



Annexure XVII - Standalone Statement of dividend declared

₹in Lacs

Particulars	For the period ended on 30th November, 2016	For the year ended on 31st March				
		2016	2015	2014	2013	2012
Dividend		0	0	0	0	0
Percentage		0	0	0	0	0
Amount		0	0	0	0	0

Annexure XVIII - Restated Standalone Statement of Investments

₹in Lacs

Particulars	As on	As on March 31				
		30-Nov-16	2016	2015	2014	2013
NON CURRENT INVESTMENTS						
National Saving Certificate		0	0	0	0	0.03
		0	0	0	0	0.03

Annexure XIX - Statement of Reconciliation

₹in Lacs

Particulars	For the period ended on 30th November, 2016	For the year ended				
		31st March, 2016	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012
<b>Profit and Loss Account</b>						
Profit and Loss account balance as per Audited Balance Sheet	29.70	36.12	28.42	22.21	17.93	13.67
Less: Cumulative Gratuity Provision	-	-	(3.45)	(1.74)	(1.43)	(1.12)
Add: Deferred Tax Income on Gratuity Provision	-	-	1.07	0.54	0.44	0.35
Restated Profit and Loss account Balance after Gratuity provision	29.70	36.12	26.04	21.01	16.94	12.90
Long term Provision						
Long Term Provision as per Audited Balance Sheet	8.47	6.20	-	-	-	-
Add: Cumulative Gratuity Provision	-	-	3.45	1.74	1.43	1.12
Restated Long Term Provisions after Gratuity Provision	8.47	6.20	3.45	1.74	1.43	1.12
<b>Deferred Tax Assets/ (Liability)</b>						
Deferred Tax Assets/ (Liability) as per Audited Balance Sheet	1.98	1.27	0.83	(0.24)	0.09	(0.17)
Add: Deferred Tax Assets due to Gratuity Provision	2.62	1.92	1.07	0.54	0.44	0.35
Restated Deferred Tax Assets/ (Liability) after Gratuity Provision	4.60	3.19	1.90	0.30	0.53	0.18
Deferred Tax Expenses/ (Income)						
Deferred Tax Expenses/ (Income) as per Audited Profit and Loss Account	(1.41)	(2.35)	(1.06)	0.33	(0.25)	(0.49)
Add: Deferred Tax Expenses/ (Income) on Gratuity Provision	-	1.07	(0.53)	(0.10)	(0.10)	(0.08)
Restated Deferred Tax Expenses/ (Income) after Gratuity Provision	(1.41)	(1.28)	(1.59)	0.23	(0.35)	(0.57)



## 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 10, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year ("Fiscal Year") are to the twelve-month period ended March 31 of that year.

### Business Overview

Our Company was incorporated as Yug Adhesive Private Limited under the provision of the Companies Act, 1956 vide certificate of incorporation dated June 23, 2003 issued by the Asstt. Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Later on, the name of company was changed to Yug Décor Private Limited and fresh certificate of incorporation dated December 7, 2004 was issued by the Registrar of Companies, Gujarat. Consequent upon the conversion of our Company into public limited company, the name of our Company was changed to Yug Decor Limited and fresh certificate of incorporation dated September 14, 2016 was issued by the Deputy ROC, Registrar of Companies, Ahmedabad Gujarat. The Corporate Identification Number of our Company is U24295GJ2003PLC042531.

Our Company was incorporated in the year 2003, initially for a period of 3 years, our Company was engaged in mere trading of Laminates and plywood. In the year 2006, our Company had buy out manufacturing Unit (Unit I) of Water Based Adhesive and also commence the activity of and Rubber Solution/Adhesive i.e. PVA Based Adhesive, PVA Based Binder, Resin Solution and Rubber Adhesives for wood and footwear industry at Santej and due to which top line of our company was increased to the level of ₹391.69 Lacs and our PBDT was more than doubled to ₹6.56 Lacs and net profit after tax has increased to ₹1.50 Lacs i.e by 73.2%.

During the span of 2007-2010, additional Equity Share capital of ₹46.78 Lacs was pumped in the company and started concentrating mainly on manufacturing business activities and slowing down to trading business with a vision to concentrate more on manufacturing and marketing of adhesive and rubber based products and strengthening on its own brand. Turnover of manufacturing business increased to ₹724.48 Lacs from ₹80.73 Lacs in the year 2007-2010. The Company expanded its dealer network and augmenting relationships across channels besides launching value added products.

In the year 2010, our company has acquired the factory premises namely Manufacturing Unit II on lease basis situated at Plot No: 734/3, Opp. Nilkanth Hotel, Rakanpur, Tal: Kalol, Dist: Gandhinagar to segregate the manufacture of Rubber Solution/Adhesive activities from the Unit I. Our company has also started export sales of PVA Based Adhesive to Ethiopia (INR 5.01 Lacs).

During the year 2013-16 new products were added to the basket of manufacturing activity i.e. Lai (Starch Based Solution), Surface Coating : Melamyne and Magic Touch, Paints: Distemper, Cement Primer/Wall Primer, Emulsion, Enamel including Automotive Paints. After having strong foothold in the manufacturing of various water and solvent based chemicals/adhesives, In the year 2016, our company has acquired factory premises namely Manufacturing Unit III on lease basis situated at Plot No: 734/7, Opp. Nilkanth Hotel, Rakanpur, Tal: Kalol, Dist: Gandhinagar to undertake the manufacturing activities of paints and finishes.



The company has received the amended consolidated consent from GPCB vide amended order no. AWH-84044 dated January 27, 2017 for manufacturing of PVA Based Adhesive, PVA Based binder and Lai (Starch based solution) upto total quantity of 50MT/Month, 10MT/Month and 90MT/Month respectively which is valid upto December 27, 2021.

Our Company has shown robust growth during the last five financial years. The breakup of manufacturing, and Export Incentive/Services income, Other Income and the improvement in top line and bottom line is explained below:

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

After the date of last financial year i.e. March 31, 2016, the Directors of our Company confirm that, there have not been any significant material developments.

#### **Discussion on Results of Operation:**

The following discussion on results of operations should be read in conjunction with the Audited Financial Results of our Company for the years ended March 31, 2014, 2015, 2016 and eight months period ended November 30, 2016.

#### **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 capital markets.
- Investment Flow in the country from the other countries.
- Government policy for textile sector.
- Competition from existing players:
- Company's ability to successfully implement our growth strategy
- The loss of shutdown of operations of our Company at any time due to strike or labour unrest or any other reasons,
- Loss due to delay in execution of projects in time

#### **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 128 of the Draft Prospectus.



## RESULTS OF OUR OPERATION

For the eight months ended November 30, 2016.

		(₹ Lacs)
<b>Income from continuing operations</b>		
Revenue from operations		
Manufacturing	1,055.81	89.28
Trading	116.51	9.85
Export Incentives and Export Services	8.45	0.71
Other Income	1.83	
<b>Total Revenue</b>	<b>1,182.60</b>	
<b>Expenses</b>		
Raw Material Consumed	707.10	66.97
Purchases-Traded	116.10	99.65
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(12.56)	
Employee benefits expense	139.47	11.81
Finance Costs	28.29	2.40
Other expenses	167.98	14.23
Depreciation and amortization expenses	10.51	0.89
<b>Total Expenses</b>	<b>1,156.89</b>	
<b>EBIDTA</b>	<b>64.51</b>	
<b>Profit Before Tax</b>	<b>25.71</b>	2.18
<b>Taxation</b>	<b>9.36</b>	
<b>Profit After Tax</b>	<b>16.35</b>	1.38

### Total Revenue:

The total revenue operations for the eight months period ended November 30, 2016 is ₹ 1182.60 Lacs which includes turnover from trading activity amounting to ₹ 116.51 lacs, from manufacturing activity amounting to ₹ 1055.81 lacs, Export Incentives and Export Services of ₹ 8.45 lacs and Other Income of ₹ 1.83 lacs.

### Expenditure:

#### Purchases Traded

The Total value of goods purchased was ₹ 116.10 Lacs for eight months period ended November 30, 2016 which is 99.65% of the total revenue from Trading Activity.

#### Raw material Consumed

The total Raw material Consumed was ₹ 707.10 Lacs for eight months period ended on November 30, 2016 which is 66.97% of the Revenue from Manufacturing activity.

#### Employee Benefit Expense

Employee Benefit expense was ₹ 139.47 Lacs for eight months period ended on November 30, 2016. The Employee Benefit expense was 11.81% of income from operations.



### Other Expenses

Other Expenses were ₹ 167.98 Lacs for eight months period ended on November 30, 2016. The Other Expenses were 14.23% of income from operations. The Other expenses include VAT and CST Expenses and Scheme, sample, rebate and discount.

### Interest & Financial Charges

Interest & Financial Charges for eight months period ended on November 30, 2016 was ₹ 28.29 Lacs. During this period, the Interest & Financial Charges cost was 2.40% of income from operations.

### Depreciation

Depreciation on fixed assets for eight months period ended on November 30, 2016 was 0.89% of income from operations. The total depreciation for eight months period ended on November 30, 2016 was ₹ 10.51 Lacs.

### Profit after Tax and restatement adjustment (PAT)

PAT for eight months period ended on November 30, 2016 stood at ₹ 16.35 Lacs. During this period, our Company recorded PAT margin of 1.38%.

### Results of Operations for the FY 2016, 2015 and 2014

Particulars	For the year ended on		
	31.03.2016	31.03.2015	31.03.2014
<b>Income from continuing operations</b>			
Revenue from operations			
Manufacturing	1475.44	1513.92	1,311.08
Trading	288.52	119.51	120.87
Export Incentive and Export Services	3.55	33.53	52.12
Total Revenue	1,767.51	1,666.96	1,484.07
% of growth	6.03	12.32	
Other Income	0.35	1.84	2.81
% of growth	-80.98	-34.52	
<b>Total Revenue</b>	<b>1,767.86</b>	<b>1,668.80</b>	<b>1,486.88</b>
	5.94	12.24	
<b>Expenses</b>			
Raw Material Consumed	1036.72	1183.29	1,067.68
% Increase/(Decrease)	-12.39	10.83	
Purchases-Traded	288.42	100.66	59.86
% Increase/(Decrease)	186.53	68.16	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	-6.65	9.13	15.71
Employee benefits expense	153.24	127.60	113.25
% Increase/(Decrease)	20.09	12.67	
Finance Costs	56.97	56.92	38.65
% Increase/(Decrease)	0.09	47.27	
Other expenses	210.91	171.68	176.26

<b>% Increase/(Decrease)</b>	<b>22.85</b>	<b>-2.60</b>	
Depreciation and amortisation expenses	12.15	12.70	9.37
<b>% Increase/(Decrease)</b>	<b>-4.33</b>	<b>35.54</b>	
<b>Total Expenses</b>	<b>1,751.76</b>	<b>1,661.98</b>	<b>1,480.78</b>
<b>% to total revenue</b>	<b>99.09</b>	<b>99.59</b>	<b>99.59</b>
<b>EBIDT</b>	<b>85.22</b>	<b>76.44</b>	<b>54.12</b>
<b>% to total revenue</b>	<b>4.82</b>	<b>4.58</b>	<b>3.64</b>
<b>Restated profit before tax from continuing operations</b>	<b>16.10</b>	<b>6.82</b>	<b>6.10</b>
<b>Total tax expense</b>	<b>6.02</b>	<b>1.80</b>	<b>2.03</b>
<b>Restated profit after tax from continuing operations (A)</b>	<b>10.08</b>	<b>5.02</b>	<b>4.07</b>
<b>% to total revenue</b>	<b>0.57</b>	<b>0.30</b>	<b>0.27</b>
<b>Restated profit for the year (A + B)</b>	<b>10.08</b>	<b>5.02</b>	<b>4.07</b>
<b>% Increase/(Decrease)</b>	<b>100.80</b>	<b>23.34</b>	

#### COMPARISON OF FY 2016 WITH FY 2015:

##### **Total Income**

The Total Income from operations for the FY 2016 was ₹ 1767.51 Lacs as compared to ₹ 1666.96 Lacs during the FY 2015 showing an increase of 6.03%. The total income includes Manufacturing Revenue, Trading Revenue and Export Incentives and Export services income. The manufacturing turnover is 83.48% of the total income from operations in FY 2016 as compared to 90.82% of the total Income from Operations in FY 2015.

##### Expenditure:

##### **Purchases Traded**

The total purchase of the goods traded was increased from ₹100.66 lacs in FY 2015 to ₹ 288.42 lacs in the FY 2016 showing increase of 186.53%.

##### **Raw material Consumed**

The total raw material consumed was decreased from ₹1183.29 lacs in FY 2015 to ₹ 1036.72 lacs in the FY 2016 showing decrease of 12.39% on account of decrease of manufacturing turnover by 2.54% in FY 2016 as compared to FY 2015.

##### **Employee Benefit Expenses**

Employee Benefit expenses increased from ₹127.60 Lacs for FY 2015 to ₹153.24 Lacs for FY 2016 showing increase of 20.09%. The increase in employee cost in FY 2016 was due to substantial increase of salary of Key managerial personnel in FY 2016 and gratuity expenses of Rs. 2.75 lacs in FY 2016 which was Rs. 1.71 lacs in FY 2015. In FY 2016 the salary of managerial personnel was Rs 20.02 lacs as compared to Rs.8.99 lacs in FY 2015.

##### **Other Expenses**

Other Expenses increased from ₹ 171.68 Lacs for FY 2015 to ₹ 210.91 Lacs for FY 2016 showing increase of 22.85%. The increase is on account of increase of VAT and CST Expenses and Scheme, sample, rebate and discount in FY 2016 as compared to FY 2015.

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



Interest & Financial Charges remain the same in FY 2015 and FY 2016.

### **Depreciation**

The total depreciation during FY 2016 was ₹ 12.15 Lacs and during FY 2015 it was ₹ 12.70 Lacs. There was decrease in depreciation by 4.33% in FY 2016 as compared to FY 2015.

### **Profit before Interest, Depreciation and Taxation (EBDIT)**

The EBDIT for the FY 2016 was 4.82% of the total revenue which was 4.58% of total revenue for the FY 2015. The reason for reduction of EBDIT though the revenue is increased by 6.03% was on account of increase in other expenses by 22.85% and employee benefits expenses by 20.09% in FY 2016 compared to FY2015.

### **Profit after Tax**

PAT increased from ₹5.02 Lacs for the FY 2015 to ₹10.08 Lacs in FY 2016 showing an increase of 100.80%. This increase was due to increase of total revenue by 5.94% in FY 2016 as compared to FY 2015 and reduction of cost of raw material compared to manufacturing turnover.

## **COMPARISON OF FY 2015 WITH FY 2014**

### **Total Income**

The Total Income from operations for the FY 2015 was ₹ 1666.96 Lacs as compared to ₹ 1484.07 Lacs during the FY 2014 showing an increase of 12.32%. The total income includes Manufacturing Revenue, Trading Revenue and Export Incentives and Export services income. The increase in the total revenue by 12.32% in FY 2015 compared to FY 2014 is on account of increase of Manufacturing turnover in FY 2015 by 15.47% as compared to FY 2014.

### **Expenditure:**

#### **Purchases Traded**

The total purchase of the goods traded was increased from ₹59.86 lacs in FY 2014 to ₹ 100.66 lacs in the FY 2015 showing increase of 68.16%. However the cost of traded goods which was 49.52% in FY 2014 of the trading turnover was 84.23% in FY 2015. In FY 2014 the products which were traded was different than the products traded in FY 2015 and demand for products traded in FY2014 decreased heavily in FY2015.

#### **Raw material Consumed**

The total raw material consumed was increased from ₹1067.68 lacs in FY 2014 to ₹ 1183.29 lacs in the FY 2015 showing increase of 10.83% on account of growth of manufacturing turnover by 15.47% in FY 2015 as compared to FY 2014.

#### **Employee Benefit Expenses**

Employee Benefit expenses increased from ₹113.25 Lacs for FY 2015 to ₹127.60 Lacs for FY 2015 showing increase of 12.67%. The increase in employee cost in FY 2015 was due to normal increment of the staff salary.

#### **Other Expenses**



Other Expenses decreased from ₹176.26 Lacs for FY 2015 to ₹171.68 Lacs for FY 2016 showing decrease of 2.60%.

### **Interest & Financial Charges**

Interest & Financial Charges increased from ₹ 38.65 Lacs for FY 2014 to ₹ 56.92 Lacs for the FY 2015. The reason for high Finance Charges in FY 2014 as compared to FY 2015 was due to unsecured loans taken by the company from NBFCs which is very costly as compare to secured loans.

### **Depreciation**

The total depreciation during FY 2015 was ₹ 12.70 Lacs and during FY 2014 it was ₹ 9.37 Lacs. There was increase in depreciation by 35.54% in FY 2015 as compared to FY 2014 on account of Change in useful life of assets as per schedule II of the companies act, 2013. In Companies act, 1956 Schedule XIV prescribed the rates of depreciation on WDV and SLM Basis.

### **Profit Before Interest, Depreciation And Taxation (EBDIT)**

The EBDIT for the FY 2015 was 4.58% of the total revenue which was 3.64% of total revenue for the FY 2014. The reason for increase of EBDIT was on account of decrease in Raw Material cost in FY 2015 as compared to FY 2014. The Raw material cost in FY 2015 was 78.16% of the total Manufacturing Turnover as compared to 81.44% in FY 2014.

### **Profit after Tax**

PAT increased from ₹ 4.07 Lacs for the FY 2014 to ₹5.02 Lacs in FY 2015 showing an increase of 23.34%. This increase was due to increase of total revenue by 12.24 % in FY 2015 as compared to FY 2014.

### **Related Party Transactions**

For further information please refer "Annexure XVI" beginning on page 126 under Chapter titled "Financial Information of our Company" beginning on page 128 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.

### **FACTORS THAT MAY AFFECT THE RESULTS OF THE OPERATIONS:**

#### **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 10 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 10 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 situation, government policies

**5. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.**

Increases in revenues are by and large linked to increases in volume of business.

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

For details on the total turnover of the industry please refer to Chapter titled "Industry Overview" beginning on page 64 of the Draft Prospectus.

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

Our Company has not announced any new product and segment.

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

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

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

We are not dependant significantly on single supplier or customers.

**Competitive conditions**

Competitive conditions are as described under the Chapters titled "Industry Overview" and "Business Overview" beginning on pages 73 and 84, respectively of the Draft Prospectus.



## FINANCIAL INDEBTNESS

Set forth below is a brief summary of our Company's borrowings:

Name of the Lender	Nature	` in Lakh as on 30.11.2016
Volkswagen Finance Private Limited	Secured	11.71
Bajaj Finserv Limited	Unsecured	5.45
Capital First Limited	Unsecured	7.95
From Directors - Abha Saraswat	Unsecured	1.30
From Directors - Chandresh Saraswat	Unsecured	2.00
Allahabad Bank	Secured	143.38



## SECTION VII - LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions or proceedings against our Company, our Directors, our Promoters and Entities Promoted by our Promoters before any judicial, quasi-judicial, arbitral or administrative tribunals or any disputes, tax liabilities, non-payment of statutory dues, over dues to banks/ financial institutions, defaults against banks/ financial institutions, defaults in dues towards instrument holders like debenture holders, fixed deposits, defaults in creation of full security as per terms of issue/ other liabilities, proceedings initiated for economic/ civil/ any other offences (including past cases where penalties may or may not have been imposed and irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act) against our Company, our Directors, our Promoters and the Entities Promoted by our Promoters, except the following:*

*Further, except as stated herein, there are no past cases in which penalties have been imposed on our Company, the Promoters, directors, Promoter Group companies and there is no outstanding litigation against any other company whose outcome could have a material adverse effect on the position of our Company. Neither our Company nor its Promoters, members of the Promoter Group, Subsidiaries, associates and Directors have been declared as willful defaulters by the RBI or any other Governmental authority and, except as disclosed in this section in relation to litigation, there are no violations of securities laws committed by them in the past or pending against them.*

Unless stated to the contrary, the information provided below is as of the date of this Draft Prospectus.

**This chapter has been divided in to following Parts**

1. Outstanding litigations involving Our Company.
2. Outstanding litigations involving Our Promoters.
3. Outstanding litigations involving Our Directors.
4. Outstanding litigations involving Our Group Companies.
5. Penalties imposed in past cases for the last five years.
6. Material Developments.
7. Amount Outstanding to SSI Undertaking or other creditors (specify if any)

#### 1. Outstanding litigations involving our Company

##### (a) Litigations by Company

###### **Criminal Case No. 989/15**

The company had supplied the Adhesives to the Swastik Ply Lam (swastik), Nadiad as per its requirement from time to time. The total debt liability for the said goods was ₹81,773 and the party had given the cheque as payment in discharge of the debt liability. The said cheque was returned by the bank with a remark "fund Insufficient", when the said cheque was presented for collection on September 23, 2015. The Company had issued legal notice of demand on October 05, 2015 and demanded the payment of said cheque amount. In response to the said demand, the Swastik had not made the payment nor replied to the notice of demand. The Company had filed the complaint under section 138 of Negotiable Instrument Act in the Metropolitan Magistrate court, Ahmedabad. The next date of hearing is March 30, 2017.

###### **Criminal Case No. 1083/2015**

The company had supplied the Adhesives to the R.K enterprise, Indore as per its requirement from time to time. The total debt liability for the said goods was Rs 82,346 and the party had given four cheques as payment in discharge of the debt liability. The said cheques were returned by the bank with a remark "fund Insufficient", when the said cheques were presented for collection on October 14, 2015. The Company had issued legal notice of demand on October 26, 2015 and demanded the payment of said cheque amount. In response to the said demand, the R.K. Enterprise had not made



the payment nor replied to the notice of demand. The Company had filed the complaint under section 138 of Negotiable Instrument Act in the Metropolitan Magistrate court, Ahmedabad. The next date of hearing is April 29, 2017.

**Criminal Case No. 5009065/16**

The company had supplied the Adhesives to Murliwala Sales, Jaipur as per its requirement from time to time. The total debt liability for the said goods was Rs 5,59,453 and the party had given cheque as payment in discharge of the debt liability. The said cheque was returned by the bank with a remark "fund Insufficient", when the said cheque was presented for collection on October 25,2016. The Company had issued legal notice of demand on October 29,2016 and demanded the payment of said cheque amount. In response to the said demand, the Murliwala Sales had not made the payment nor replied to the notice of demand. The Company had filed the complaint under section 138 of Negotiable Instrument Act in the Metropolitan Magistrate court, Ahmedabad. The next date of hearing is April 26, 2017

**(b) Litigation against Company**

**FY 2012-13**

During the survey the Gujarat Commercial Tax department has found the difference in the actual stock lying in the Godown of the company and the stock as per the books of account. The Commercial officer (Investigation), Vibhag-5, Surat has assessed the sales tax liability to be paid on the said difference of stock amounting to Rs. 1,36,417 and penalty of Rs. 2,04,626. The department has also assessed sales tax liability of Rs 98,108, Interest of Rs. 2724 and penalty of Rs 1,47,163 for bogus input Tax credit and central sales tax input tax credit. The total liability of Rs.5,89,038 was paid on March 30,2013 under protest to the department.

**2. Outstanding litigations involving Our Promoters.**

**(a) Litigations by Promoters**

NIL

**(b) Litigation against Promoters**

NIL

**3. Outstanding litigations involving Our Directors.**

**Litigations by Directors**

NIL

**Litigation against Directors**

NIL

**4. Outstanding litigations involving Our Group Companies.**

**Litigation by Group Companies**

NIL

**Litigation against Group Companies**

NIL



**5. Penalties imposed in past cases for the last five years.**

NIL

**6. Material Developments**

Except as stated above, there are no material developments after the date of the last audited balance sheet, which may materially affect the performance, or prospects of the Company.

**7. Amount Outstanding to SSI Undertaking or other creditors (specify if any)**

There are no SSI Undertakings or other creditors to whom the Company owes an amount exceeding ₹ 1 Lac which is outstanding for more than 30 days from the due date.

**Other defaults (specify if any)**

There is no other default involving the issuer company or its subsidiary, its director, promoters, promoter group entities.



## 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 January 31, 2017 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 February 7, 2017 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 [•] 2017.
4. The Company has entered into an agreement dated February 20, 2017 with the Central Depository Services (India) Limited ("CDSL") and the Registrar and Transfer Agent, who in this case is Satellite Corporate Services Private Limited, for the dematerialization of its shares.
5. Similarly, the Company has also entered into an agreement dated March 3, 2017 with the National Securities Depository Limited ("NSDL") and the Registrar and Transfer Agent, who in this case is Satellite Corporate Services Private Limited, for the dematerialization of its shares.
6. The Company's International Securities Identification Number ("ISIN") is INR000003639.

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

Sr. No.	Authority Granting Approval	Approval/ Registration No.	Applicable Laws	Nature Of Approvals	Validity
1.	Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli	U24295GJ2003 PTC42531 on June 23, 2003	Companies Act, 1956	Certificate Of Incorporation	Valid, till Cancelled
2.	Registrar of Companies, Gujarat.	U24295GJ2003 PTC42531 on December 7, 2004	Companies Act, 1956	Fresh certificate of Incorporation consequent upon change in the name of Company	Valid, till Cancelled
3.	Deputy Registrar of Companies, Registrar of Companies, Ahmedabad.	U24295GJ2003 PLC 042531 on September 14, 2016	Companies Act, 2013	Fresh certificate of Incorporation consequent upon conversion into public limited company	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)	AAACY1940L	Income Tax Act 1961	Permanent Account Number	Valid, till Cancelled
2.	Income Tax Department-(TAN)	AHMY00205C	Income Tax Act 1961	Tax Deduction and collection Account Number	Valid, till Cancelled
3.	Commercial Tax Department.*	24073701674	The Gujarat Value Added Tax Act 2003	VAT registration	Valid, till Cancelled
4.	Commercial Tax Department, Gujarat.*	24573701674	Central Sales Tax, (Registration & Turnover) Rules, 1957	Central Sales Tax No.	Valid, till Cancelled
5.	Superintendent, Central Board of Excise and Customs. (For plot No.832 Kothari Estate)*	AAACY1940LSD002	Finance Act , 1994 read with Service Tax Rules ,1994	Service Tax registration Number	Valid, till Cancelled
6.	Central Board of Excise and Customs. (For plot No.734/3 Rakanpur Village, Kaloal)*	AAACY1940LSD003	Finance Act , 1994 read with Service Tax Rules ,1994	Service Tax Registration Number	Valid, till Cancelled
7.	Deputy Commissioner of Central Board of Excise and Customs, (For plot No.832 Kothari Estate)	AAACY1940LXM001	Central Excise Rules,2002	Central Excise Registration Certificate.	Valid, till Cancelled
8.	Deputy Commissioner of Central Board of Excise and Customs. (For plot No.734/3 Rakanpur Village, Kaloal)	AAACY1940LEM002	Central Excise Rules,2002	Central Excise Registration Certificate.	Valid, till Cancelled
9.	Deputy Commissioner of Central Board of Excise and Customs, (For plot No.734/7 Opp. Nilkanth Hotel)	AAACY1940LEM003	Central Excise Rules,2002	Central Excise Registration Certificate.	Valid, till Cancelled



Note: \* All the approvals/Licenses/Registration is in name of Yug Decor Private Limited, company is taking necessary steps to get the same in the name of Yug Decor Limited.

**(D) Registration and Approvals under Statutory and Regulatory Act(s):**

Sr. No.	Authority Granting Approval	Approval/ Registration No.	Applicable Laws	Nature Of Approvals	Validity
1.	Ahmedabad Municipal Corporation	PII/LG/2900003/0150291( Law Garden)	Bombay Shops and Establishment Act, 1948.	Registration Certificates under Shops and Establishment Act, 1948.	Valid up to December 31, 2020.
2.	Assistant Manager (West Zone), Amdavad Municipal Corporation	Registration No.: PRC015130826	Gujarat State Tax on Profession, Trade, Calling and Employment Act, 1976.	Registration Certificates under Professional Tax.	Valid, till Cancelled
3.	Chief Factory Inspector, Gujarat State. (For plot No.832 Santej Tal: KAlol, Dist.: Gandhinagar)*	License No.:005404	The Factory Act, 1948.	Factory Registration and License for Santej Unit	Up to December 31,2020
4.	Joint Director, Industrial Safety and Health, Ahmedabad Region. *(for plot no.734/3 at Rakanpur, Tal: Kalol, Dist.: Gandhinagar)*	License No.:15372	The Factory Act, 1948	Health and Safety Registration and License for plot no.734/3 at Rakanpur, Kalol unit.	Applied for Renewal for 5 years from 2016 to 2020.
5.	Manager, District Industries Centre, Gandhinagar*	No. DIC/GNR/EM/Part-II/9229	Entrepreneurs Memorandum for Setting up Micro, Small or Medium enterprise.	District Industries Centre, Gandhinagar	
6.	Foreign Trade Development Officer,*	IEC NO.:0806011467	Foreign Trade (Development & Regulation) Act, 1992	Import- Export Code	Valid, till Cancelled
7.	Deputy Director (Excise Duty )*	License No.;M090838	The Rubber Board of India	License to acquire Rubber	Valid up to March 31,2018
8.	Senior Environmental Engineer, Gujarat Pollution Control Board, Gandhinagar.*	Consent Order No.: AWH-84044	Water (Prevention and Control of Pollution) Act, 1974.	Permission to discharge of e trade effluent & emission due to operation of Industrial	Valid up to December 27, 2021



				Plant for manufacturing PVA based Adhesives and Binders and other related permissions.	
9.	Regional Provident Fund Commissioner*	Registration No.: GJ/AHD/54594	Employees' Provident Funds & Miscellaneous Provisions Act,1952	Registration with Provident Fund Authority.	Valid, till Cancelled

**(E) Registration under Trade Mark Act, 1999**

Sr. No.	Authority Granting Approval	Approval/ Registration No.	Applicable Laws	Nature Of Approvals	Validity
1.	Registrar of Trade Marks	Trade Mark No.: 1509334 "SUPERJOR"	Trade Marks Act,1999	Certificate of Registration of Trade Mark "SUPERJOER"	Valid up to December 1, 2026.
2.	Registrar of Trade Marks	Trade Mark No.: 1497704 "YUGCOL"	Trade Marks Act,1999	Certificate of Registration of Trade Mark "YUGCOL"	Valid up to October 19, 2026.
3.	Registrar of Trade Marks	Trade Mark No.:1266161 "GOLD BOND" 	Trade Marks Act,1999	Certificate of Registration of Trade Mark "GOLD BOND"	Valid up to February 11, 2024.
4.	Registrar of Trade Marks	Trade Mark No.: 1221985 "BISON BOND EC" 	Trade Marks Act,1999	Certificate of Registration of Trade Mark "BISON BOND"	Valid up to August 11, 2023.
5.	Registrar of Trade Marks	Trade Mark No.: 1219055 "BISON BOND"	Trade Marks Act,1999	Certificate of Registration of Trade Mark "YUG"	Valid up to July 31, 2023.
6.	Registrar of Trade Marks	Trade Mark No.: 2008504 "WOODGLUE"	Trade Marks Act,1999	Certificate of Registration of Trade Mark "WOODGLUE"	Valid up to August 13, 2020.
7.	Registrar of Trade Marks	ApplicationNo.: 3268178 "HEATPROPLUS"	Trade Marks Act, 1999	Certificate of Registration of Trade Mark "HEATPROPLUS"	Applied for Registration on May 25, 2016.
8.	Registrar of Trade Marks	Application No.: 3294721 "SPEEDO CAR FINISH"	Trade Marks Act,1999	Certificate of Registration of Trade Mark "SPEEDO CAR FINISH"	Applied for Registration on June 24, 2016.

All the approvals/Licenses/Registration is in name of Yug Decor Private Limited, company is taking necessary steps to get the same in the name of Yug Decor Limited.



## 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 January 31, 2017 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 February 7, 2017.

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, Promoters, Promoter Group, Directors and Group Companies have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authorities. None of our Promoters, 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 promoters or directors.

### PROHIBITION BY RBI OR GOVERNMENTAL AUTHORITY

Our Company, our Directors, our Promoters, the relatives of the Promoters (as defined under the Companies Act, 2013) and our Group Entity have not been identified as willful defaulters by RBI or any other government authorities.

### ELIGIBILITY FOR THE ISSUE

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

Our company is eligible for the Issue in accordance with Regulation 106(M)(1) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue paid up capital does not exceed ₹ 10 crores, 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). Our Company also complies with eligibility conditions laid by SME Platform of BSE for listing of Equity Shares.

#### We confirm that:

- a. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Draft Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required by SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- b. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, 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 - Underwriting" on page 38 of this Draft Prospectus.

- c. In accordance with Regulation 106(O) of the SEBI (ICDR) Regulation, we have not filed any Draft Offer Document with SEBI nor has SEBI issued any observation on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmation as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- d. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the arrangement of market making please see "General Information - Details of the Market Making Arrangements for this Issue" on page 38 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 XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of Chapter XB of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

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, which states as follows:

**1. Net Tangible assets of at least ₹3 crore as per the latest audited financial results :**

Our Company has Net Tangible Assets of more than ₹ 3 crore as per the latest financial results. Our Net Tangible Assets for the period ended November 30, 2016 is disclosed as under:

Particulars	(₹ in lakh)
November 30, 2016	
Fixed Assets (Net)	68.42
Less: Intangible Assets	0.19
Current Assets, Loans & Advances and Non- Current Investments	801.10
Less: Current Liabilities & provisions	476.31
Long Term Borrowings	28.41
<b>Net Tangible Assets</b>	<b>364.61</b>

—Net tangible assets' are defined as the sum of all net assets (i.e. non-current assets, current assets less current liabilities) of our Company, excluding intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India

**2. Net worth (excluding revaluation reserves) of at least ₹ 3 crore as per the latest audited financial results**

Our Company satisfies the above criteria. Our Net Worth as per the latest audited financial statements is as under:

Particulars	(₹ in lakh)
November 30, 2016	
<b>Net Worth</b>	<b>353.12</b>

—Net Worth has been defined as the aggregate of the paid up share capital, share application money (excluding the portion included in other current liabilities) and reserves and surplus excluding miscellaneous expenditure, if any



3. Track record of distributable profits in terms of sec. 123 of Companies Act, 2013 for at least two years out of immediately preceding three financial years and each financial year has to be a period of at least 12 months. Extraordinary income will not be considered for the purpose of calculating distributable profits. Otherwise, the net worth shall be at least ₹ 5 crores.

Our Company satisfies the above criteria of distributable profits in terms of section 123 of Companies Act, 2013.

Particulars	November 30, 2016	March 31, 2016	March 31, 2015	March 31, 2014	(₹ in lakh)
Net Profit as per P&L Account	16.35	10.08	5.02	4.07	

*—Distributable profits have been calculated in terms section 123 of the Companies Act, 2013.*

4. The post-issue paid up capital of the company shall be at least ₹ 3 crore

The post paid up capital of the Company will be ₹ 4.169 crores.

5. 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: INE796W01019

6. Companies shall mandatorily have a website.

Our Company has a live and operational website: [www.yugdecor.com](http://www.yugdecor.com)

7. 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 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 OFFER DOCUMENT. THE LEAD MERCHANT BANKER, GRETEX CORPORATE SERVICES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING.



THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING 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 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 MERCHANT BANKER GRETEX CORPORATE SERVICES PRIVATE LIMITED HAS FURNISHED TO STOCK EXCHANGE/SEBI A DUE DILIGENCE CERTIFICATE DATED APRIL 11, 2017 WHICH READS AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENTS DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT PROSPECTUS PERTAINING TO THE SAID ISSUE;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:
  - (A) THE DRAFT PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
  - (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND VIS-À-VIS
  - (C) THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956 AND APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS. NOTED FOR COMPLIANCE.
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE



DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT PROSPECTUS.

7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE VIS-À-VIS AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. - NOT APPLICABLE
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE OFFER DOCUMENT. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE- NOT APPLICABLE. THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT PROSPECTUS:
  - (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
  - (B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.



14. WE ENCLOSURE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE ,ETC.
15. WE ENCLOSURE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY"
16. WE ENCLOSURE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY THE BOARD (SEBI) THROUGH CIRCULAR. As per Annexure "A"
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY LEAD MANAGER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE

1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN OFFER DOCUMENT AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009.- NOTED FOR COMPLIANCE
4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.
5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISO TO SUBREGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; THE CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS. - NOT APPLICABLE
6. WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION [106P] AND [106V] OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, HAVE BEEN MADE.



THE FILING OF THE OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 34, 35 36 AND 38 (1) OF THE COMPANIES ACT 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 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.

#### **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 above mentioned entities and anyone depending on any other source of information, including our website:[www.yugdecor.com](http://www.yugdecor.com) would be doing so at his or her own risk.

##### **Caution**

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MOU entered into between the Lead Manager Gretex Corporate Services Private Limited and our Company dated **April 04, 2017** the Underwriting Agreement dated **April 04, 2017** entered among the Underwriters and Market Making Agreement dated **April 04, 2017** entered among the Market Maker, Lead Manager 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.

#### **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 Gretex Corporate Services 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.gretexcorporate.com](http://www.gretexcorporate.com)



## **DISCLAIMER IN RESPECT OF JURISDICTION**

This issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, and any FII sub -account registered with SEBI which is a foreign corporate or Foreign individual, permitted insurance companies and pension funds) and to FIIs and Eligible NRIs. This 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 Ahmedabad 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 OF THE SME PLATFORM OF BSE**

BSE Limited ("BSE") has given vide its letter dated [•], permission to this Company to use its name in this offer document as one of the stock exchanges on which this Company's securities are proposed to be listed on SME platform. BSE has scrutinized this offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. BSE does not in any manner:-

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. warrant that this company's securities will be listed or will continue to be listed on BSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company;

And it should not for any reason be deemed or construed that this offer document has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities in this Company may do so pursuant to independent inquiry, investigations and analysis and shall not have any claim against BSE whatsoever by reason of loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

## **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S



under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

**Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.**

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Share or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **FILING OF OFFER DOCUMENT**

A copy of Draft Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in term of Regulation 106(O)(1). However, a copy of the Prospectus 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-380009.

A copy of the Prospectus, along with the documents required to be filed under Section 26 of the companies Act, 2013, will be delivered to the RoC situated at RoC Bhavan, Opp Rupal Park Society, Behind Ankur Bus- Stop, Naranpura, Ahmedabad -380013.

#### **LISTING**

Our company has obtained In-Principle approval from BSE vide letter dated [•] to use name of BSE in this offer document for listing of equity shares on SME Platform of BSE.

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, there is requirement of obtaining In-principle approval from SME Platform of BSE. Application will be made to the SME Platform of BSE for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the issue.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of BSE, the Company shall forthwith unblock, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not unblocked within Eight days after our Company becomes liable to unblock it then our Company and every officer in default shall, on and from such expiry of Eight days, be liable to unblock such application money, with interest at the rate of 15% per annum on application money, as prescribed under as prescribed under Section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of the BSE mentioned above are taken within Six Working Days from the Issue Closing Date.

#### **IMPERSONATION**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

**"Any person who -**

**(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or**



**(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**

**vis-à-vis otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447."**

The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

#### **CONSENTS**

The written consents of Directors, Promoters, the Company Secretary, Compliance Officer, the Lead Manager to the Issue, Bankers to the Company, Registrar to the Issue, Auditors, Legal Advisor to the Issue, Finance Head, Underwriters, Market Makers and Bunker to the Issue, to act in their respective capacities have been obtained and will be filed along with a copy of the Prospectus with the ROC, as required under Sections 26 and 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the ROC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/S. P.D.GOINKA & CO. Statutory Auditors, of the Company have agreed to provide their written consent to the inclusion of their report, restated financial statements and statement of Tax Benefits dated, which may be available to the Company and its shareholders, included in this Draft Prospectus in the form and context in which they appear therein and such consent and reports have not been withdrawn up to the time of delivery of this Prospectus with ROC.

#### **EXPERT OPINION**

Except for (a) Peer Review Auditors' reports dated April 10, 2017 on the restated financial statements by M/s. P.D. GOINKA & CO., Chartered Accountants (b) Statement of Tax Benefits dated January 20, 2017 by M/s. P.D.GOINKA & CO., Chartered Accountants; we have not obtained any other expert opinions.

#### **PUBLIC ISSUE EXPENSES**

The Management estimates an expense of Rs. 33.85 Lakhs towards issue expense. The Issue related expenses include, among others, lead management, market making, underwriting, SCSB's commission/fees, selling commissions, printing, distribution and stationery expenses, advertising and marketing expenses, and other expenses including registrar, depository, listing and legal fees. All expenses with respect to the Issue will be borne by the Company. The estimated Issue expenses are as follows:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount</b>
1.	Payment to Merchant Banker including fees and reimbursements of Market Making Fees, selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Registrars, Bankers etc and other out of pocket expenses.	25.35
2.	Printing & Stationery and Postage Expenses	1.50
3.	Marketing and Advertisement Expenses	2.00
4.	Regulatory fees and other expenses	4.00
5.	Other Miscellaneous expenses	1.00
	<b>Total</b>	<b>33.85</b>



## DETAIL OF FEES PAYABLE

### Fees Payable to Lead Manager to the Issue

The total fees payable to the Lead Manager (underwriting Commission and Selling Commission and reimbursement of their out-of pocket expenses) will be as per the Engagement Letter, a copy of which is available for inspection at the Registered Office of our Company.

### Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the MOU between the Company and the Registrar to the Issue dated March 10, 2017.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post.

### Fees Payable to Others

The total fees payable to the Legal Advisor, Auditor, Market maker and Advertiser, etc. will be as per the terms of their respective engagement letters.

## 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.

## COMMISSION PAYABLE TO SCSBS

The brokerage and selling commission payable to SCSBs for the ASBA Application Forms procured by them would be at par as payable to brokers for the Application forms procured by them. However in case, where ASBA Application Form are being procured by Syndicate Members / sub syndicate, then selling commission would be payable to Syndicate Members / sub syndicate and for processing of such ASBA Application Form, SCSBs would be given a prescribe fee of ₹15 per ASBA Application Form processed by them.

## PREVIOUS PUBLIC OR RIGHTS ISSUE

Company has not made any Public or Right issue since its incorporation.

## PREVIOUS ISSUES OF EQUITY SHARES OTHERWISE THAN FOR CASH

We have issued shares otherwise than cash as per the details given below:

Sr. No.	Date of Allotment/ Date of fully paid up	No. of Equity Shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Consideration	Nature of Issue
1	August 5, 2016	18,00,000	10	Bonus Issue (4.5:1)	Otherwise than cash	Bonus Shares issued in the ratio of 4.5:1.



## **CAPITAL ISSUE DURING THE LAST THREE YEARS**

Yug Decor Limited and its Group Companies have not made any capital issue during the last three years.

## **LISTED VENTURES OF PROMOTERS**

There are no listed ventures of our Company as on date of filing of this Draft Prospectus.

## **PROMISE VIS-À-VIS PERFORMANCE**

Since neither our Company nor our Promoter Group Companies have made any previous rights or public issues during last 10 years, Promise vis-à-vis Performance is not applicable.

## **OUTSTANDING DEBENTURES OR BONDS AND REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS**

There are no outstanding debentures or bonds or redeemable preference shares and other instruments issued by the Company as on the date of this Draft Prospectus.

## **STOCK MARKET DATA FOR OUR EQUITY SHARES**

Our Company is an Unlisted Issuer in terms of the SEBI (ICDR) Regulations, and this Issue is an Initial Public Offering in terms of the SEBI (ICDR) Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

## **STANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY.**

As on the date of this Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

## **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The agreement between the Registrar to the Issue and our Company provides for the retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their 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 center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities), as the case may be, where the 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 paid on application and designated branch or the collection center of the SCSBs or the member of the Syndicate (in Specified Cities), as the case may be, where the 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 (for redressal of routine investor grievances) shall be 15 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 an Stakeholders Relationship Committee of the Board vide resolution passed on March 3, 2017 comprising of Mr. Abhay Shrivastav, Mr. Santosh Kumar Saraswat and Mr. Jitesh Tiwari as members. For further details, please refer the chapter titled "Our Management" on page no. 110 of Draft Prospectus.

Our Company has also appointed Mr. Dashang Manharlal Khatrias the Company Secretary and Compliance Officer of our company, for this Issue and he may be contacted in case of any pre-issue or post-issue related problems at the following address:

**Yug Decor Limited**

1011, Sakar-5, B/H Natraj Cinema  
Ashram Road, Ahmedabad- 380009

**Tel:** +079-26580920, 30020584

**Email:** account@yugdecor.com

**Website:** www.yugdecor.com

**Contact Person:** Mr. Dashang Manharlal Khatri

**CHANGES IN AUDITORS DURING THE LAST THREE YEARS**

There is no change in our Statutory Auditors of our Company during last three (3) years.

**CAPITALIZATION OF RESERVES OR PROFITS DURING LAST FIVE (5) YEARS:**

Our Company has not capitalized its reserves or profits during last five (5) years except the following:

Sr. No.	Date of Allotment/ Date of fully paid up	No. of Equity Shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Consideration	Nature of Issue
1	August 5, 2016	18,00,000	10	Bonus Issue (4.5:1)	Otherwise than cash	Bonus Shares issued in the ratio of 4.5:1.

**REVALUATION OF ASSETS DURING THE LAST FIVE (5) YEARS**

Our Company has not revalued its assets during the last five (5) years.

**PURCHASE OF PROPERTY**

Other than as disclosed in this Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Prospectus.

Except as stated elsewhere in this Prospectus, our Company has not purchased any property in which the Promoters and/or Directors have any direct or indirect interest in any payment made there under.

**SERVICING BEHAVIOR**

There has been default in payment of statutory dues but no default in payment of interest or principal in respect of our borrowings or deposits.



## 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, 2009, 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. 207 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 ₹ 26 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. 64 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. 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 number 207 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, 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 Allotees**

The minimum number of allotees in this Issue shall be 50 shareholders. In case the minimum number of prospective allotees 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 Ahmedabad.

## **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

## **Nomination Facility to Investor**

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint 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.43 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. 207 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. 38 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 106(M)(1) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue paid up capital does not exceed ₹ 10 crores, 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 179 and 186 respectively of this Draft Prospectus.

Public issue of 11,08,000 equity shares of face value of ₹ 10 each for cash at a price of ₹ 26 per equity share including a share premium of ₹ 16 per equity share (the "issue price") aggregating to ₹ 288.08 lacs ("the issue") by our company.

Particulars	Net Issue to Public	Market Maker reservation portion
Number of Equity Shares*	10,48,000 Equity Shares	60,000 Equity Shares
Percentage of Issue Size available for allocation	94.58% of the Issue Size 25.13 % of the Post Issue Paid up Capital	5.42% of the Issue Size 1.44% 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 186 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	60,000 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 10,48,000 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	60,000 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



Particulars	Net Issue to Public	Market Maker reservation portion
		Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
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 Ahmedabad.

#### 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 Centers 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/12/2003) dated October 23, 2013 notified by SEBI (the "General Information Documents") included below under section "- Part B - General Information Document", which highlights the key rules, procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI Regulations. The General Information Documents has been updated to include reference to 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 is also 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.

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 Regulation 106(M) (1) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 through a Fixed Price Process.

Applicants are required to submit their Applications to the Application collecting intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registered Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (Dps) registered with SEBI. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

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 Stock Exchange, as mandated by SEBI.**

### 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 limited i.e. [www.bseindia.com](http://www.bseindia.com). 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.. 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

**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 issue and share transfer agent ('RTA') (Whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For Applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may be 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.

#### **Availability of Prospectus and Application Forms:**

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company. 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 Limited i.e. [www.bseindia.com](http://www.bseindia.com).



### 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 applying 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.

**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 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 FII's:**

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.

#### **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 re-registered as an AIF under the SEBI Regulations shall continue to be regulated by the VCF Regulations.

#### **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 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.**

#### **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 has 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, 2013and 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.

### **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.**

### **Information for the Applicants:**

- a.) The Company will file the Prospectus with the ROC at least 3 (three) days before the Issue Opening Date.
- b.) The Lead Manager will circulate copies of the Prospectus along with the Application Form to potential investors.
- c.) 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.
- d.) Applicants who are interested in subscribing to the Equity Shares should approach the Lead Manager or their authorized agent(s) to register their Applications.
- e.) 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 and Sherwood Securities Private Limited on April 04, 2017.

### **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.



### **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) **Issuers will that:** (i) the allotment of the equity shares; and (ii) initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

The Company will issue and dispatch letters of allotment/ or letters of regret along with unblocking instruction 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 Prospectus. The designated Stock Exchange may be as disclosed in the Prospectus with which the Basic 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 be subscribed and the sum payable on application money has to be returned within such period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of underwriters within Sixty Days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes 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 Allotees**

The Issuer may ensure that the number of prospective Allotees 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 to the issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Issue.

### **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.

### 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.

### 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 Bombay 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.

#### **GROUNDS 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 March 3, 2017 with NSDL, our Company and Registrar to the Issue;
- b) a tripartite agreement dated February 20, 2017 with CDSL, our Company and Registrar to the Issue;

The Company's shares bear an ISIN INE796W01019.

- 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.**

### **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. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:
  - 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 retail 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 186 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 147 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 SME Platform of 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, 2009.

**As per the RBI regulations, OCBs are not permitted to participate in the Issue.**

**There is no reservation for Non-Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds 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.

#### **Utilization of Issue Proceeds**

Our Board certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act; 2013



- 2) Details of all monies utilized out of the Issue shall be disclosed and continue to be disclosed till any part of the issue proceeds remains unutilized under an appropriate separate head in the Company's balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of section SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to section 177 of the Company's Act, 2013 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue respectively.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.



## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment is allowed up to 100% under automatic route in our Company.

India's current Foreign Direct Investment ("FDI") Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GOI ("DIPP") by circular of 2015, with effect from May 12, 2015 ("Circular of 2015"), consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The Government usually updates the consolidated circular on FDI Policy once every Year and therefore, Circular of 2015 will be valid until the DIPP issues an updated circular.

The transfer of shares by an Indian resident to a Non-Resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI. Further, in terms of the Consolidated FDI Policy, prior approval of the RBI shall not be required for transfer of shares between an Indian resident and person not resident in India if conditions specified in the Consolidated FDI Policy have been met. The transfer of shares of an Indian company by a person resident outside India to an Indian resident, where pricing guidelines specified by RBI under the foreign exchange regulations in India are not met, will not require approval of the RBI, provided that (i) the original and resultant investment is in line with Consolidated FDI policy and applicable foreign exchange regulations pertaining to *inter alia* sectoral caps and reporting requirements; (ii) the pricing is in compliance with applicable regulations or guidelines issued by SEBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**The above information is given for the benefit of the Applicants. Our Company and the LM 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.**



## 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
CONSTITUTION OF THE COMPANY	1.	The Regulations contained in Table 'F' in the First Schedule to the Companies Act, 2013 shall not apply to the Company except in so far as they are embodied in the following Articles, which shall be the regulations for the Management of the Company.
INTERPRETATION CLAUSE	2.	<p>The marginal notes hereto shall not affect the construction hereof. In these presents, the following words and expressions shall have the following meanings unless excluded by the subject or context:</p> <ul style="list-style-type: none"><li>a. 'The Act' or 'The Companies Act' shall mean 'The Companies Act, 2013, its rules and any statutory modifications or reenactments thereof.'</li><li>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.</li><li>c. 'The Company' or 'This Company' means YUG DECOR LIMITED.</li><li>D. 'Directors' means the Directors for the time being of the Company.</li><li>e. 'Writing' includes printing, lithograph, typewriting and any other usual substitutes for writing.</li><li>f. 'Members' means members of the Company holding a share or shares of any class.</li><li>g. 'Month' shall mean a calendar month.</li><li>h. 'Paid-up' shall include 'credited as fully paid-up'.</li><li>i. 'Person' shall include any corporation as well as individual.</li><li>j. 'These presents' or 'Regulations' shall mean these Articles of Association as now framed or altered from time to time and shall include the Memorandum where the context so requires.</li><li>k. 'Section' or 'Sec.' means Section of the Act.</li><li>l. Words importing the masculine gender shall include the feminine gender.</li><li>m. Except where the context otherwise requires, words importing the singular shall include the plural and the words importing the plural shall include the singular.</li><li>n. 'Special Resolution' means special resolution as defined by Section 114 in the Act.</li><li>o. 'The Office' means the Registered Office for the time being of the Company.</li><li>p. 'The Register' means the Register of Members to be kept pursuant to Section 88 of the Companies Act, 2013.</li><li>q. 'Proxy' includes Attorney duly constituted under a Power of Attorney.</li></ul>
	3.	Except as provided by Section 67, no part of funds of the Company shall be employed in the purchase of the shares of the Company, and the Company shall not directly or indirectly and whether by shares, or loans, give, guarantee, the provision of security or otherwise any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company.
	4.	The Authorized Share Capital of the Company shall be as prescribed in Clause V of the Memorandum of Association of the Company.
	5.	Subject to the provisions of the Act and these Articles, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board who may allot the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount

		<p>(subject to compliance with the provisions of the Act) and at such terms as they may, from time to time, think fit and proper and with the sanction of the Company in General Meeting by a Special Resolution give to any person the option to call for or be allotted shares of any class of the Company, either at par, at a premium or subject as aforesaid at a discount, such option being exercisable at such times and for such consideration as the Board thinks fit unless the Company in General Meeting, by a Special Resolution, otherwise decides. Any offer of further shares shall be deemed to include a right, exercisable by the person to whom the shares are offered, to renounce the shares offered to him in favour of any other person.</p> <p>Subject to the provisions of the Act, any redeemable Preference Share, including Cumulative Convertible Preference Share may, with the sanction of an ordinary resolution be issued on the terms that they are, or at the option of the Company are liable to be redeemed or converted on such terms and in such manner as the Company, before the issue of the shares may, by special resolution, determine.</p>
	6.	<p>The Company in General Meeting, by a Special Resolution, may determine that any share (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not), giving them the option to call or be allotted shares of any class of the Company either at a premium or at par or at a discount, (subject to compliance with the provisions of Section 53) such option being exercisable at such times and for such consideration as may be directed by a Special Resolution at a General Meeting of the Company or in General Meeting and may take any other provisions whatsoever for the issue, allotment or disposal of any shares.</p>
	7.	<p>The Board may at any time increase the subscribed capital of the Company by issue of new shares out of the unissued part of the Share Capital in the original or subsequently created capital, but subject to Section 62 of the Act, and subject to the following conditions namely:</p> <p>I. (a) Such further shares shall be offered to the persons who, at the date of the offer, are holder of the equity shares of the Company in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date.</p> <p>(b) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than twenty-one days, from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.</p> <p>(c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in clause (b) shall contain a statement of this right.</p> <p>(d) After the expiry of the time specified in the notice aforesaid, or in respect of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as it thinks most beneficial to the Company.</p> <p>II. The Directors may, with the sanction of the Company in General Meeting by means of a special resolution, offer and allot shares to any person at their discretion by following the provisions of section 62 of the Act and other applicable provisions, if any.</p> <p>III. Nothing in this Article shall apply to the increase in the subscribed capital of the Company which has been approved by:</p> <p>(a) A Special Resolution passed by the Company in General Meeting before the issue of the debentures or the raising of the loans, and</p> <p>(b) The Central Government before the issue of the debentures or raising of the loans or is in conformity with the rules, if any, made by that Government in this behalf.</p>

	8.	(1) The rights attached to each class of shares (unless otherwise provided by the terms of the issue of the shares of the class) may, subject to the provisions of Section 48 of the Act, be varied with the consent in writing of the holders of not less than three fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a General Meeting of the holders of the shares of that class. (2) To every such separate General Meeting, the provisions of these Articles relating to General Meeting shall Mutatis Mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-tenth of the issued shares of that class.
<b>Issue of further shares with disproportionate rights</b>	9.	Subject to the provisions of the Act, the rights conferred upon the holders of the shares of any class issued with preferred or other rights or not, unless otherwise expressly provided for by the terms of the issue of shares of that class, be deemed to be varied by the creation of further shares ranking pari passu therewith.
<b>Not to issue shares with disproportionate rights</b>	10.	The Company shall not issue any shares (not being Preference Shares) which carry voting rights or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares not being Preference Shares.
<b>Power to pay commission</b>	11.	The Company may, at any time, pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any share, debenture or debenture stock of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, such commission in respect of shares shall be paid or payable out of the capital, the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission shall not exceed five percent of the price at which the shares are issued and in the case of debentures, the rate of commission shall not exceed, two and half percent of the price at which the debentures are issued. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also, on any issue of shares, pay such brokerage as may be lawful.
<b>Liability of joint holders of shares</b>	12.	The joint holders of a share or shares shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share or shares.
<b>Trust not recognised</b>	13.	Save as otherwise provided by these Articles, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by a statute required, be bound to recognise any equitable, contingent, future or partial interest lien, pledge or charge in any share or (except only by these presents otherwise provided for) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.
<b>Issue other than for cash</b>	14.	<p>a. The Board may issue and allot shares in the capital of the Company as payment or part payment for any property sold or goods transferred or machinery or appliances supplied or for services rendered or to be rendered to the Company in or about the formation or promotion of the Company or the acquisition and or conduct of its business and shares may be so allotted as fully paid-up shares, and if so issued, shall be deemed to be fully paid-up shares.</p> <p>b. As regards all allotments, from time to time made, the Board shall duly comply with Section 39 of the Act.</p>
<b>Acceptance of shares</b>	15.	An application signed by or on behalf of the applicant for shares in the Company, followed by an allotment of any share therein, shall be acceptance of the shares within the meaning of these Articles; and every person who thus or otherwise accepts any share and whose name is on the Register shall, for the purpose of these Articles, be a shareholder.



<b>Member' right to share Certificates</b>	16.	<p>1. Every person whose name is entered as a member in the Register shall be entitled to receive without payment:</p> <ul style="list-style-type: none"> <li>a. One certificate for all his shares; or</li> <li>b. Share certificate shall be issued in marketable lots, where the share certificates are issued either for more or less than the marketable lots, subdivision/consolidation into marketable lots shall be done free of charge.</li> </ul> <p>2. The Company shall, within two months after the allotment and within fifteen days after application for registration of the transfer of any share or debenture, complete and have it ready for delivery; the share certificates for all the shares and debentures so allotted or transferred unless the conditions of issue of the said shares otherwise provide.</p> <p>3. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.</p> <p>4. The certificate of title to shares and duplicates thereof when necessary shall be issued under the seal of the Company and signed by two Directors and the Secretary or authorised official(s) of the Company.</p>
<b>One Certificate for joint holders</b>	17.	In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate for the same share or shares and the delivery of a certificate for the share or shares to one of several joint holders shall be sufficient delivery to all such holders. Subject as aforesaid, where more than one share is so held, the joint holders shall be entitled to apply jointly for the issue of several certificates in accordance with Article 20 below.
<b>Renewal of Certificate</b>	18.	If a certificate be worn out, defaced, destroyed, or lost or if there is no further space on the back thereof for endorsement of transfer, it shall, if requested, be replaced by a new certificate without any fee, provided however that such new certificate shall not be given except upon delivery of the worn out or defaced or used up certificate, for the purpose of cancellation, or upon proof of destruction or loss, on such terms as to evidence, advertisement and indemnity and the payment of out of pocket expenses as the Board may require in the case of the certificate having been destroyed or lost. Any renewed certificate shall be marked as such in accordance with the provisions of the act in force.
	19.	For every certificate issued under the last preceding Article, no fee shall be charged by the Company.
<b>Splitting and consolidation of Share Certificate</b>	20.	<p>The shares of the Company will be split up/consolidated in the following circumstances:</p> <ul style="list-style-type: none"> <li>(i) At the request of the member/s for split up of shares in marketable lot.</li> <li>(ii) At the request of the member/s for consolidation of fraction shares into marketable lot.</li> </ul>
<b>Directors may issue new Certificate(s)</b>	21.	Where any share under the powers in that behalf herein contained are sold by the Directors and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they think fit from the certificate not so delivered up.
<b>Person by whom installments are payable</b>	22.	If, by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment, shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative or representatives, if any.
<b>LIEN Company's lien on shares</b>	23.	The Company shall have first and paramount lien upon all shares other than fully paid-up shares registered in the name of any member, either or jointly with any other person, and upon the proceeds or sale thereof for all moneys called or payable at a fixed time in respect of such shares and such lien shall extend to all dividends from time to time declared in respect of such shares. But the Directors, at any time, may declare any share to be exempt, wholly or partially from the provisions of this Article. Unless otherwise agreed, the registration of transfer of shares shall operate as a waiver of the Company's lien, if any, on

		such shares.
<b>As to enforcing lien by sale</b>	<b>24.</b>	For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as it thinks fit, but no sale shall be made until the expiration of 14 days after a notice in writing stating and demanding payment of such amount in respect of which the lien exists has been given to the registered holders of the shares for the time being or to the person entitled to the shares by reason of the death of insolvency of the register holder.
<b>Authority to transfer</b>	<b>25.</b>	a. To give effect to such sale, the Board of Directors may authorise any person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer. b. The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.
<b>Application of proceeds of sale</b>	<b>26.</b>	The net proceeds of any such sale shall be applied in or towards satisfaction of the said moneys due from the member and the balance, if any, shall be paid to him or the person, if any, entitled by transmission to the shares on the date of sale.
<b>Calls On Shares</b>	<b>27.</b>	Subject to the provisions of Section 49 of the Act, the Board of Directors may, from time to time, make such calls as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and the member shall pay the amount of every call so made on him to the person and at the time and place appointed by the Board of Directors.
<b>When call deemed to have been made</b>	<b>28.</b>	A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed. The Board of Directors making a call may by resolution determine that the call shall be deemed to be made on a date subsequent to the date of the resolution, and in the absence of such a provision, a call shall be deemed to have been made on the same date as that of the resolution of the Board of Directors making such calls.
<b>Length of Notice of call</b>	<b>29.</b>	Not less than thirty days' notice of any call shall be given specifying the time and place of payment provided that before the time for payment of such call, the Directors may, by notice in writing to the members, extend the time for payment thereof.
<b>Sum payable in fixed instalments to be deemed calls</b>	<b>30.</b>	If by the terms of issue of any share or otherwise, any amount is made payable at any fixed times, or by instalments at fixed time, whether on account of the share or by way of premium, every such amount or instalment shall be payable as if it were a call duly made by the Directors, on which due notice had been given, and all the provisions herein contained in respect of calls shall relate and apply to such amount or instalment accordingly.
<b>When interest on call or instalment payable</b>	<b>31.</b>	If the sum payable in respect of any call or, instalment be not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the instalment shall fall due, shall pay interest for the same at the rate of 12 percent per annum, from the day appointed for the payment thereof to the time of the actual payment or at such lower rate as the Directors may determine. The Board of Directors shall also be at liberty to waive payment of that interest wholly or in part.
<b>Sums payable at fixed times to be treated as calls</b>	<b>32.</b>	The provisions of these Articles as to payment of interest shall apply in the case of non-payment of any such sum which by the terms of issue of a share, become payable at a fixed time, whether on account of the amount of the share or by way of premium, as if the same had become payable by virtue of a call duly made and notified.
<b>Payment of call in advance</b>	<b>33.</b>	The Board of Directors, may, if it thinks fit, receive from any member willing to advance all of or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any part of the moneys so advance may (until the same would, but for such advance become presently payable) pay interest at such rate as the Board of Directors may decide but shall not in respect of such

		advances confer a right to the dividend or participate in profits.
<b>Partial payment not to preclude forfeiture</b>	34.	Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from, time to time, be due from any member in respect of any share, either by way of principal or interest nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein after provided.
<b>FORFEITURE OF SHARES</b>  <b>If call or installment not paid, notice may be given</b>	35.	If a member fails to pay any call or instalment of a call on the day appointed for the payment not paid thereof, the Board of Directors may during such time as any part of such call or instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest, which may have accrued. The Board may accept in the name and for the benefit of the Company and upon such terms and conditions as may be agreed upon, the surrender of any share liable to forfeiture and so far as the law permits of any other share.
<b>Evidence action by Company against shareholders</b>	36.	On the trial or hearing of any action or suit brought by the Company against any shareholder or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of shareholders of the Company as a holder, or one of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any call nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.
<b>Form of Notice</b>	37.	The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice), on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment on or before the day appointed, the shares in respect of which the call was made will be liable to be forfeited.
<b>If notice not complied with, shares may be forfeited</b>	38.	If the requirements of any such notice as, aforementioned are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
<b>Notice after forfeiture</b>	39.	When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture shall not be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
<b>Boards' right to dispose of forfeited shares or cancellation of forfeiture</b>	40.	A forfeited or surrendered share may be sold or otherwise disposed off on such terms and in such manner as the Board may think fit, and at any time before such a sale or disposal, the forfeiture may be cancelled on such terms as the Board may think fit.
<b>Liability after forfeiture</b>	41.	A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding such forfeiture, remain liable to pay and shall forthwith pay the Company all moneys, which at the date of forfeiture is payable by him to the Company in respect of the share, whether such claim be barred by limitation on the date of the forfeiture or not, but his liability shall cease if and when the Company received payment in full of all such moneys due in respect of the shares.

<b>Effect of forfeiture</b>	<b>42.</b>	The forfeiture of a share shall involve in the extinction of all interest in and also of all claims and demands against the Company in respect of the shares and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.
<b>Evidence of forfeiture</b>	<b>43.</b>	A duly verified declaration in writing that the declarant is a Director of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and that declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposal thereof, shall constitute a good title to the share and the person to whom the share is sold or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
<b>Non-payment of sums payable at fixed times</b>	<b>44.</b>	The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which by terms of issue of a share, becomes payable at a fixed time, whether, on account of the amount of the share or by way of premium or otherwise as if the same had been payable by virtue of a call duly made and notified.
<b>Validity of such sales</b>	<b>45.</b>	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Directors may cause the purchaser's name to be entered in the register in respect of the shares sold and may issue fresh certificate in the name of such a purchaser. The purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
<b>TRANSFER AND TRANSMISSION OF SHARES</b>	<b>46.</b>	<p>a. The instrument of transfer of any share in the Company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in respect thereof.</p> <p>b. The Board shall not register any transfer of shares unless a proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the Company along with the certificate and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.</p> <p>Provided that where it is proved to the satisfaction of the Board that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Board thinks fit, on an application on such terms in writing made by the transferee and bearing the stamp required for an instrument of transfer, register the transfer on such terms as to indemnity as the Board may think fit.</p> <p>c. An application for the registration of the transfer of any share or shares may be made either by the transferor or the transferee, provided that where such application is made by the transferor, no registration shall, in the case of partly paid shares, be effected unless the Company gives notice of the application to the transferee. The Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.</p> <p>d. For the purpose of Sub-clause (c), notice to the transferee shall be deemed to have been duly given if despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be delivered in the ordinary course of post.</p>

		<p>e. Nothing in Sub-clause (d) shall prejudice any power of the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of law.</p>
<b>Form of transfer</b>	<b>47.</b>	Shares in the Company shall be transferred by an instrument in writing in such common form as specified in Section 56 of the Companies Act.
<b>Board's right to refuse to register</b>	<b>48.</b>	<p>a. The Board, may, at its absolute discretion and without assigning any reason, decline to register</p> <p>1. The transfer of any share, whether fully paid or not, to a person of whom it do not approve or</p> <p>2. Any transfer or transmission of shares on which the Company has a lien</p> <p>a. Provided that registration of any transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on the shares.</p> <p>b. If the Board refuses to register any transfer or transmission of right, it shall, within fifteen days from the date of which the instrument or transfer of the intimation of such transmission was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be.</p> <p>c. In case of such refusal by the Board, the decision of the Board shall be subject to the right of appeal conferred by Section 58.</p> <p>d. The provisions of this clause shall apply to transfers of stock also.</p>
<b>Further right of Board of Directors to refuse to register</b>	<b>49.</b>	<p>a. The Board may, at its discretion, decline to recognise or accept instrument of transfer of shares unless the instrument of transfer is in respect of only one class of shares.</p> <p>b. No fee shall be charged by the Company for registration of transfers or for effecting transmission on shares on the death of any member or for registering any letters of probate, letters of administration and similar other documents.</p> <p>c. Notwithstanding anything contained in Sub-articles (b) and (c) of Article 46, the Board may not accept applications for sub-division or consolidation of shares into denominations of less than hundred (100) except when such a sub-division or consolidation is required to be made to comply with a statutory order or an order of a competent Court of Law or a request from a member to convert his holding of odd lots, subject however, to verification by the Company.</p> <p>d. The Directors may not accept applications for transfer of less than 100 equity shares of the Company, provided however, that these restrictions shall not apply to:</p> <p>i. Transfer of equity shares made in pursuance of a statutory order or an order of competent court of law.</p> <p>ii. Transfer of the entire equity shares by an existing equity shareholder of the Company holding less than hundred (100) equity shares by a single transfer to joint names.</p> <p>iii. Transfer of more than hundred (100) equity shares in favour of the same transferee under one or more transfer deeds, one or more of them relating to transfer of less than hundred (100) equity shares.</p> <p>iv. Transfer of equity shares held by a member which are less than hundred (100) but which have been allotted to him by the Company as a result of Bonus and/or Rights shares or any shares resulting from Conversion of Debentures.</p> <p>v. The Board of Directors be authorised not to accept applications for sub-division or consolidation of shares into denominations of less than hundred (100) except when such sub-division or consolidation is required to be made to comply with a statutory order of a Court of Law or a request from a member to convert his holding of odd lots of shares into transferable/marketable lots, subject, however, to verification by the Company.</p> <p>Provided that where a member is holding shares in lots higher than the</p>

		transferable limit of trading and transfers in lots of transferable unit, the residual shares shall be permitted to stand in the name of such transferor notwithstanding that the residual holding shall be below hundred (100).
<b>Rights to shares on death of a member for transmission</b>	50.	<p>a. In the event of death of any one or more of several joint holders, the survivor, or survivors, alone shall be entitled to be recognised as having title to the shares.</p> <p>b. In the event of death of any sole holder or of the death of last surviving holder, the executors or administrators of such holder or other person legally entitled to the shares shall be entitled to be recognised by the Company as having title to the shares of the deceased.</p> <p>Provided that on production of such evidence as to title and on such indemnity or other terms as the Board may deem sufficient, any person may be recognised as having title to the shares as heir or legal representative of the deceased shareholder.</p> <p>Provided further that if the deceased shareholder was a member of a Hindu Joint Family, the Board, on being satisfied to that effect and on being satisfied that the shares standing in his name in fact belonged to the joint family, may recognise the survivors of Karta thereof as having titles to the shares registered in the name of such member.</p> <p>Provided further that in any case, it shall be lawful for the Board in its absolute discretion, to dispense with the production of probate or letters of administration or other legal representation upon such evidence and such terms as to indemnity or otherwise as the Board may deem just.</p>
<b>Rights and liabilities of person</b>	51.	<p>1. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time be required by the Board and subject as herein, after provided elect either</p> <p>a. to be registered himself as a holder of the share or</p> <p>b. to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>2. The Board, shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</p>
<b>Notice by such a person of his election</b>	52.	<p>a. If the person so becoming entitled shall elect to be registered as holder of the shares himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.</p> <p>b. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>c. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer had been signed by that member.</p>
<b>No transfer to infant, etc.</b>	53.	No transfer shall be made to an infant or a person of unsound mind.
<b>Endorsement of transfer and issue of certificate</b>	54.	Every endorsement upon the certificate of any share in favour of any transferee shall be signed by the Secretary or by some person for the time being duly authorised by the Board in that behalf.
<b>Custody of transfer</b>	55.	The instrument of transfer shall, after registration, remain in the custody of the Company. The Board may cause to be destroyed all transfer deeds lying with the Company for a period of ten years or more.

Register members of	56.	<p>a. The Company shall keep a book to be called the Register of Members, and therein shall be entered the particulars of every transfer or transmission of any share and all other particulars of shares required by the Act to be entered in such Register.</p> <p><b>Closure of Register of members</b></p> <p>b. The Board may, after giving not less than seven days previous notice by advertisement in some newspapers circulating in the district in which the Registered Office of the Company is situated, close the Register of Members or the Register of Debenture Holders for any period or periods not exceeding in the aggregate forty-five days in each year but not exceeding thirty days at any one time.</p> <p><b>When instruments of transfer to be retained</b></p> <p>c. All instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Directors may decline to register shall be returned to the person depositing the same.</p>
Company's right to register transfer by apparent legal owner	57.	<p>The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right or title or interest prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in the books of the Company; but the Company shall nevertheless be at liberty to have regard and to attend to any such notice and give effect thereto, if the Board shall so think fit.</p>
Alteration Of Capital	58.	<p><b>Alteration and consolidation, sub-division and cancellation of shares</b></p> <p>a. The Company may, from time to time, in accordance with the provisions of the Act, alter by Ordinary Resolution, the conditions of the Memorandum of Association as follows:</p> <ol style="list-style-type: none"> <li>1. increase its share capital by such amount as it thinks expedient by issuing new shares;</li> <li>2. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</li> <li>3. convert all or any of its fully paid-up shares into stock, and reconver that stock into fully paid-up shares of the denomination;</li> <li>4. sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division on the proportion between the amount paid and the amount, if any, unpaid, on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived.</li> <li>5. a. Cancel shares which, at the date of passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.</li> <li>b. The resolution whereby any share is sub-divided may determine that, as between the holder of the shares resulting from such sub-division, one or more such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others.</li> <li>6. Classify and reclassify its share capital from the shares on one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner as may for the time being be permitted</li> </ol>

		under legislative provisions for the time being in force in that behalf.
<b>Reduction of capital, etc. by Company</b>	<b>59.</b>	The Company may, by Special Resolution, reduce in any manner with and subject to any incident authorised and consent as required by law: <ol style="list-style-type: none"> <li>its share capital;</li> <li>any capital redemption reserve account; or</li> <li>any share premium account.</li> </ol>
<b>Surrender of shares</b>	<b>60.</b>	The Directors may, subject to the provisions of the Act, accept the surrender of any share by way of compromise of any question as to the holder being properly registered in respect thereof.
<b>Modification Of Rights</b>	<b>61.</b>	<b>Power of modify shares</b> The rights and privileges attached to each class of shares may be modified, commuted, affected, abrogated in the manner provided in Section 48 of the Act.
<b>Set-off of moneys due to shareholders</b>	<b>62.</b>	Any money due from the Company to a shareholder may, without the consent of such shareholder, be applied by the Company in or towards payment of any money due from him, either alone or jointly with any other person, to the Company in respect of calls.
<b>Conversion of shares</b>	<b>63.</b>	The Company may, by Ordinary Resolution, convert all or any fully paid share(s) of any denomination into stock and vice versa.
<b>Transfer of stock</b>	<b>64.</b>	The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations, under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
<b>Right stockholders</b>	<b>65.</b>	The holders of the stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and its assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
<b>Applicability of regulations to stock and stockholders</b>	<b>66.</b>	Such of the regulations contained in these presents, other than those relating to share warrants as are applicable to paid-up shares shall apply to stock and the words shares and shareholder in these presents shall include stock and stockholder respectively.
<b>Dematerialisation Of Securities</b>	<b>67.</b>	<p><b>a) Definitions</b>            For the purpose of this Article:            'Beneficial Owner' means a person or persons whose name is recorded as such with a depository;            'SEBI' means the Securities and Exchange Board of India;            'Depository' means a company formed and registered under the Companies Act, 2013, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992, and            'Security' means such security as may be specified by SEBI from time to time.</p> <p><b>b) Dematerialisation of securities</b>            Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.</p> <p><b>c) Options for investors</b>            Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person, who is the beneficial owner of the securities, can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act and the Company shall, in the manner and</p>

	<p>within the time prescribed, issue to the beneficial owner the required certificates of securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.</p> <p><b>d) Securities in depositories to be in fungible form</b></p> <p>All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.</p> <p><b>e) Rights of depositories and beneficial owners:</b></p> <p>(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.</p> <p>(ii) Save as otherwise provided in (a) above, the depository, as the registered owner of the securities, shall not have any voting rights or any other rights in respect of the securities held by it.</p> <p>(iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.</p> <p><b>f) Service of documents</b></p> <p>Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.</p> <p><b>g) Transfer of securities</b></p> <p>Nothing contained in Section 56 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.</p> <p><b>h) Allotment of securities dealt with in a depository</b></p> <p>Notwithstanding anything in the Act or these Articles, where securities are dealt with in a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.</p> <p><b>i) Distinctive numbers of securities held in a depository</b></p> <p>Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers of securities issued by the Company shall apply to securities held in a depository.</p> <p><b>j) Register and Index of Beneficial owners</b></p> <p>The Register and Index of Beneficial Owners, maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security Holders for the purposes of these Articles.</p> <p><b>k) Company to recognise the rights of registered holders as also the beneficial owners in the records of the depository</b></p> <p>Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the beneficial owner of the shares in records of the depository as the absolute owner thereof as regards receipt of dividends or bonus or services of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person, whether or not it shall have express or implied notice thereof.</p>
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<b>General Meetings</b>	68.	<b>Annual General Meeting</b> The Company shall in each year hold in addition to the other meetings a general meeting which shall be styled as its Annual General Meeting at intervals and in accordance with the provisions of Section 96 of the Act.
<b>Extraordinary General Meeting</b>	69.	<p>1. Extraordinary General Meetings may be held either at the Registered Office of the Company or at such convenient place as the Board or the Managing Director (subject to any directions of the Board) may deem fit.</p> <p><b>Right to summon Extraordinary General Meeting</b></p> <p>2. The Chairman or Vice Chairman may, whenever they think fit, and shall if so directed by the Board, convene an Extraordinary General Meeting at such time and place as may be determined.</p>
<b>Extraordinary Meeting by requisition</b>	70.	<p>a. The Board shall, on the requisition of such number of members of the Company as is specified below, proceed duly to call an Extraordinary General Meeting of the Company and comply with the provisions of the Act in regard to meetings on requisition.</p> <p>b. The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company or sent to the Company by Registered Post addressed to the Company at its Registered Office.</p> <p>c. The requisition may consist of several documents in like forms, each signed by one or more requisitionists.</p> <p>d. The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold, on the date of the deposit of the requisition, not less than 1/10th of such of the paid-up capital of the Company as at the date carries the right of the voting in regard to the matter set out in the requisition.</p> <p>e. If the Board does not, within 21 days from the date of receipt of deposit of the requisition with regard to any matter, proceed duly to call a meeting for the consideration of these matters on a date not later than 45 days from the date of deposit of the requisition, the meeting may be called by the requisitionists themselves or such of the requisitionists, as represent either majority in the value of the paid-up share capital held by them or of not less than one tenth of such paid-up capital of the Company as is referred to in Sub-clause (d) above, whichever is less.</p>
<b>Length of notice for calling meeting</b>	71.	A General Meeting of the Company may be called by giving not less than twenty one days' notice in writing, provided that a General Meeting may be called after giving shorter notice if consent thereto is accorded by the members holding not less than 95 per cent of the part of the paid-up share capital which gives the right to vote on the matters to be considered at the meeting. Provided that where any member of the Company is entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members, shall be taken into account for purpose of this clause in respect of the former resolution or resolutions and not in respect of the latter.
<b>Accidental omission to give notice not to invalidate meeting</b>	72.	The accidental omission to give notice of any meeting to or the non-receipt of any such notice by any of the members shall not invalidate the proceedings of any resolution passed at such meeting.
<b>Special business and statement to be annexed</b>	73.	All business shall be deemed special that is transacted at an Extraordinary Meeting and also that is transacted at an Annual Meeting with the exception of declaration of a dividend, the consideration of financial statements and the reports of the Directors and Auditors thereon, the election of the Directors in the place of those retiring, and the appointment of and the fixing of the remuneration of Auditors. Where any item of business to be transacted at the meeting is deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such

		<p>item of business including in particular the nature of the concern or interest, if any, therein, of every Director and the Manager, if any, every other Key Managerial Personnel and the relatives of Directors, Manager and other Key Managerial Personnel. Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.</p> <p>Where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two per cent of the paid-up share capital of that company, also be set out in the statement.</p>
<b>Quorum</b>	74.	<p>The quorum requirements for general meetings shall be as under and no business shall be transacted at any General Meeting unless the requisite quorum is present when the meeting proceeds to business:</p> <p>Number of members upto 1000: 5 members personally present</p> <p>Number of members 1000-5000: 15 members personally present</p> <p>Number of members more than 5000: 30 members personally present</p>
<b>If quorum not present, when meeting to be dissolved and when to be adjourned</b>	75.	If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week and at the same time and place or to such other day and to be at such other time and place as the Board may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.
<b>Chairman of General Meeting</b>	76.	The Chairman of the Board of Directors shall preside at every General Meeting of the Company and if he is not present within 15 minutes after the time appointed for holding the meeting, or if he is unwilling to act as Chairman, the Vice Chairman of the Board of Directors shall preside over the General Meeting of the Company.
<b>When Chairman is absent</b>	77.	If there is no such Chairman or Vice Chairman or if at any General Meeting, either the Chairman or Vice Chairman is not present within fifteen minutes after the time appointed for holding the meeting or if they are unwilling to take the chair, the members present shall choose one of their members to be the Chairman.
<b>Adjournment of meeting</b>	78.	<p>The Chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn that meeting from time to time from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of adjournment or of the business to be transacted at an adjourned meeting.</p>
<b>Questions at General Meeting how decided</b>	79.	<p>At a General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands/result of electronic voting as per the provisions of Section 108, unless a poll is (before or on the declaration of the result of the show of hands/ electronic voting) demanded in accordance with the provisions of Section 109. Unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands/ electronic voting, been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.</p>
<b>Casting vote</b>	80.	In the case of an equality of votes, the Chairman shall, whether on a show of hands, or electronically or on a poll, as the case may be, have a casting vote in

		addition to the vote or votes to which he may be entitled as a member.
<b>Taking of poll</b>	81.	If a poll is duly demanded in accordance with the provisions of Section 109, it shall be taken in such manner as the Chairman, subject to the provisions of Section 109 of the Act, may direct, and the results of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.
<b>In what cases poll taken without adjournment</b>	82.	A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. Where a poll is demanded on any other question, adjournment shall be taken at such time not being later than forty-eight hours from the time which demand was made, as the Chairman may direct.
<b>Votes</b>	83.	<p>a. Every member of the Company holding Equity Share(s), shall have a right to vote in respect of such capital on every resolution placed before the Company. On a show of hands, every such member present shall have one vote and shall be entitled to vote in person or by proxy and his voting right on a poll or on e-voting shall be in proportion to his share of the paid-up Equity Capital of the Company.</p> <p>b. Every member holding any Preference Share shall in respect of such shares have a right to vote only on resolutions which directly affect the rights attached to the Preference Shares and subject as aforesaid, every such member shall in respect of such capital be entitled to vote in person or by proxy, if the dividend due on such preference shares or any part of such dividend has remained unpaid in respect of an aggregate period of not less than two years preceding the date of the meeting. Such dividend shall be deemed to be due on Preference Shares in respect of any period, whether a dividend has been declared by the Company for such period or not, on the day immediately following such period.</p> <p>c. Whenever the holder of a Preference Share has a right to vote on any resolution in accordance with the provisions of this article, his voting rights on a poll shall be in the same proportion as the capital paid-up in respect of such Preference Shares bear to the total equity paid-up capital of the Company.</p>
<b>Business may proceed notwithstanding demand for poll</b>	84.	A demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which a poll has been demanded; The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
<b>Joint holders</b>	85.	In the case of joint holders, the vote of the first named of such joint holders who tender a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
<b>Member of unsound mind</b>	86.	A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll vote by proxy.
<b>No member entitled to vote while call due to Company</b>	87.	No member shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
<b>Proxies permitted on polls</b>	88.	On a poll, votes may be given either personally or by proxy provided that no Company shall vote by proxy as long as resolution of its Directors in accordance with provisions of Section 113 is in force.
<b>Instrument of proxy</b>	89.	<p>a. The instrument appointing a proxy shall be in writing under the hand of the appointed or of the attorney duly authorised in writing, or if the appointer is a Corporation, either under the common seal or under the hand of an officer or attorney so authorised. Any person may act as a proxy whether he is a member or not.</p> <p>b. A body corporate (whether a company within the meaning of this Act or not) may:</p> <ol style="list-style-type: none"> <li>If it is a member of the Company by resolution of its Board of Directors or other governing body, authorise such persons as it thinks fit to act as its</li> </ol>

		<p>representatives at any meeting of the Company, or at any meeting of any class of members of the Company;</p> <p>2. If it is a creditor (including a holder of debentures) of the Company, by resolution of its Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of any creditors of the Company held in pursuance of this Act or of any rules made thereunder, or in pursuance of the provisions contained in any debenture or trust deed, as the case may be.</p> <p>c. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents, as if he were personally the member, creditor or debenture holder.</p>
<b>Instrument of proxy to be deposited at the office</b>	90.	The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notary certified copy of that power of authority shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote, and in default, the instrument of proxy shall not be treated as valid.
<b>Validity of vote by proxy</b>	91.	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the appointer, or revocation of the proxy, or transfer of the share in respect of which the vote is given provided no intimation in writing of the death, revocation or transfer shall have been received at the Registered Office of the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.
<b>Form of proxy</b>	92.	Any instrument appointing a proxy may be a two way proxy form to enable the shareholders to vote for or against any resolution at their discretion. The instrument of proxy shall be in the prescribed form as given in Form MGT-11.
<b>DIRECTORS</b>	93.	<p><b>Number of Directors</b></p> <p>Unless otherwise determined by a General Meeting, the number of Directors shall not be less than 3 and not more than 15.</p> <p><b>a) Board of Directors</b></p> <p>The First Directors of the Company are;</p> <ol style="list-style-type: none"> <li>1. Mr. Chandresh S. Saraswat</li> <li>2. Mr. Santoshkumar Saraswat</li> <li>3. Mrs. Abha S. Saraswat</li> <li>4. Ms. Ankita C. Saraswat</li> </ol> <p><b>b) Same individual may be appointed as Chairperson and Managing Director / Chief Executive Officer</b></p> <p>The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive of the Company</p>
	94.	Subject to the provisions of the Act as may be applicable, the Board may appoint any person as a Managing Director to perform such functions as the Board may decide from time to time. Such Director shall be a Member of the Board.
<b>Qualification of Directors</b>	95.	Any person, whether a member of the Company or not, may be appointed as a Director. No qualification by way of holding shares in the capital of the Company shall be required of any Director.

<b>Director's remuneration</b>	96.	<p>a. Until otherwise determined by the Company in General Meeting, each Director shall be entitled to receive and be paid out of the funds of the Company a fee for each meeting of the Board of Directors or any committee thereof, attended by him as may be fixed by the Board of Directors from time to time subject to the provisions of Section 197 of the Act, and the Rules made thereunder. For the purpose of any resolution in this regard, none of the Directors shall be deemed to be interested in the subject matter of the resolution. The Directors shall also be entitled to be paid their reasonable travelling and hotel and other expenses incurred in consequence of their attendance at meetings of the Board or of any committee of the Board or otherwise in the execution of their duties as Directors either in India or elsewhere. The Managing/Whole-time Director of the Company who is a full time employee, drawing remuneration will not be paid any fee for attending Board Meetings.</p> <p>b. Subject to the provisions of the Act, the Directors may, with the sanction of a Special Resolution passed in the General Meeting and such sanction, if any, of the Government of India as may be required under the Companies Act, sanction and pay to any or all the Directors such remuneration for their services as Directors or otherwise and for such period and on such terms as they may deem fit.</p> <p>c. Subject to the provisions of the Act, the Company in General Meeting may by Special Resolution sanction and pay to the Director in addition to the said fees set out in sub-clause (a) above, a remuneration not exceeding one per cent (1%) of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act. The said amount of remuneration so calculated shall be divided equally between all the Directors of the Company who held office as Directors at any time during the year of account in respect of which such remuneration is paid or during any portion of such year irrespective of the length of the period for which they held office respectively as such Directors.</p> <p>d. Subject to the provisions of Section 188 of the Companies Act, and subject to such sanction of the Government of India, as may be required under the Companies Act, if any Director shall be appointed to advise the Directors as an expert or be called upon to perform extra services or make special exertions for any of the purposes of the Company, the Directors may pay to such Director such special remuneration as they think fit; such remuneration may be in the form of either salary, commission, or lump sum and may either be in addition to or in substitution of the remuneration specified in clause (a) of the Article.</p>
<b>Directors may act notwithstanding vacancy</b>	97.	The continuing Directors may act notwithstanding any vacancy in their body, but subject to the provisions contained in Article 119 below:
<b>Chairman or Vice-chairman of the Board</b>	98.	<p>a. Notwithstanding anything contained in these Articles and pursuant to provisions of the Act, Managing Director of the company will act as Chairman of the board and Deputy Managing Director will act as Vice chairman of the board.</p> <p>b. Subject to the provisions of the Act, the Chairman and the Vice Chairman may be paid such remuneration for their services as Chairman and Vice Chairman respectively, and such reasonable expenses including expenses connected with travel, secretarial service and entertainment, as may be decided by the Board of Directors from time to time.</p>
<b>Casual vacancy</b>	99.	If the office of any Director becomes vacant before the expiry of the period of his Directorship in normal course, the resulting casual vacancy may be filled by the Board at a Meeting of the Board subject to Section 161 of the Act. Any person so appointed shall hold office only upto the date which the Director in whose place he is appointed would have held office if the vacancy had not occurred as aforesaid.

VACATION OF OFFICE BY DIRECTORS	100.	<p>The office of a Director shall be vacated if:</p> <ol style="list-style-type: none"> <li>1. he is found to be unsound mind by a Court of competent jurisdiction;</li> <li>2. he applies to be adjudicated as an insolvent;</li> <li>3. he is an undischarged insolvent;</li> <li>4. he is convicted by a Court of any offence whether involving moral turpitude or otherwise and is sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;</li> <li>5. he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call;</li> <li>6. an order disqualifying him for appointment as Director has been passed by court or tribunal and the order is in force.</li> <li>7. he has not complied with Subsection (3) of Section 152</li> <li>8. he has been convicted of the offence dealing with related party transaction under section 188 at any time during the preceding five years.</li> <li>9. he absents himself from all meetings of the Board for a continuous period of twelve months, with or without seeking leave of absence from the Board;</li> <li>10. he acts in contravention of Section 184 of the Act and fails to disclose his interest in a contract in contravention of section 184.</li> <li>11. he becomes disqualified by an order of a court or the Tribunal</li> <li>12. he is removed in pursuance of the provisions of the Act,</li> <li>13. having been appointed a Director by virtue of holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;</li> </ol> <p>notwithstanding anything in Clause (4), (6) and (8) aforesaid, the disqualification referred to in those clauses shall not take effect:</p> <ol style="list-style-type: none"> <li>1. for thirty days from the date of the adjudication, sentence or order;</li> <li>2. where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed off; or</li> <li>3. where within the seven days as aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed off.</li> </ol>
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Alternate Directors	101.	<p>(a) The Board may appoint an Alternate Director to act for a Director hereinafter called in this clause "the Original Director" during his absence for a period of not less than 3 months from India.</p> <p>(b) An Alternate Director appointed as aforesaid shall vacate office if and when the Original Director returns to India.</p> <p><b>Independent Directors</b></p> <p>(c) (i) The Directors may appoint such number of Independent Directors as are required under Section 149 of the Companies Act, 2013 or clause 49 of Listing Agreement, whichever is higher, from time to time.</p> <p>(ii) Independent directors shall possess such qualification as required under Section 149 of the companies Act, 2013 and clause 49 of Listing Agreement</p> <p>(iii) Independent Director shall be appointed for such period as prescribed under relevant provisions of the companies Act, 2013 and Listing Agreement and shall not be liable to retire by rotation.</p> <p><b>Women Director</b></p> <p>(d) The Directors shall appoint one women director as per the requirements of section 149 of the Act.</p> <p><b>Key Managerial Personnel</b></p> <p>(e) Subject to the provisions of the Act, –</p> <p>(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</p> <p>(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>(iii) The Managing Director shall act as the Chairperson of the Company for all purposes subject to the provisions contained in the Act and these articles.</p>
Additional Directors	102.	<p>The Directors may, from time to time, appoint a person as an Additional Director provided that the number of Directors and Additional Directors together shall not exceed the maximum number of Directors fixed under Article 93 above. Any person so appointed as an Additional Director shall hold office upto the date of the next Annual General Meeting of the Company.</p> <p><b>Proportion of retirement by rotation</b></p> <p>a. The proportion of directors to retire by rotation shall be as per the provisions of Section 152 of the Act.</p>
Debenture	103.	<p>Any trust deed for securing debentures or debenture-stocks may, if so arranged, provide for the appointment, from time to time, by the Trustees thereof or by the holders of debentures or debenture-stocks, of some person to be a Director of the Company and may empower such Trustees, holder of debentures or debenture-stocks, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any other provisions herein contained.</p>

Corporation/Nominee Director	104.	<p>a. Notwithstanding anything to the contrary contained in the Articles, so long as any moneys remain owing by the Company to the any finance corporation or credit corporation or body, (herein after in this Article referred to as "The Corporation") out of any loans granted by them to the Company or as long as any liability of the Company arising out of any guarantee furnished by the Corporation, on behalf of the Company remains defaulted, or the Company fails to meet its obligations to pay interest and/or instalments, the Corporation shall have right to appoint from time to time any person or person as a Director or Directors (which Director or Directors is/are hereinafter referred to as "Nominee Director(s)") on the Board of the Company and to remove from such office any person so appointed, any person or persons in his or their place(s).</p> <p>b. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s as long as such default continues. Such Nominee Director/s shall not be required to hold any share qualification in the Company, and such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.</p> <p>The Nominee Director/s appointed shall hold the said office as long as any moneys remain owing by the Company to the Corporation or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.</p> <p>The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, and of the Meeting of the Committee of which the Nominee Director/s is/are member/s.</p> <p>The Corporation shall also be entitled to receive all such notices. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Director/s of the Company are entitled, but if any other fee, commission, monies and remuneration in any form is payable to the Director/s of the Company, the fee, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment to Directorship shall also be paid or reimbursed by the Company to the Corporation or, as the case may be, to such Nominee Director/s.</p> <p>Provided that if any such Nominee Director/s is an officer of the Corporation, the sitting fees, in relation to such Nominee Director/s shall so accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.</p> <p>c. The Corporation may at any time and from time to time remove any such Corporation Director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as a Corporation Director in his place. Such appointment or removal shall be made in writing signed by the Chairman or Joint Chairman of the Corporation or any person and shall be delivered to the Company at its Registered office. It is clarified that every Corporation entitled to appoint a Director under this Article may appoint such number of persons as Directors as may be authorised by the Directors of the Company, subject to Section 152 of the Act and so that the number does not exceed 1/3 of the maximum fixed under Article 93.</p>
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<b>Disclosure of interest of Directors</b>	105.	<p>a. Subject to the provisions of the Act, the Directors shall not be disqualified by reason of their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker, or otherwise, nor shall any such contract or any contract or arrangement entered into by on behalf of the Company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established but the nature of the interest must be disclosed by the Director at the meeting of the Board at which the contract or arrangements is determined or if the interest then exists in any other case, at the first meeting of the Board after the acquisition of the interest.</p> <p>Provided nevertheless that no Director shall vote as a Director in respect of any contract or arrangement in which he is so interested as aforesaid or take part in the proceedings thereat and he shall not be counted for the purpose of ascertaining whether there is quorum of Directors present. This provision shall not apply to any contract by or on behalf of the Company to indemnify the Directors or any of them against any loss they may suffer by becoming or being sureties for the Company.</p> <p>b. A Director may be or become a Director of any company promoted by this Company or in which this Company may be interested as vendor, shareholder or otherwise and no such Director shall be accountable to the Company for any benefits received as a Director or member of such company.</p>
<b>Rights of Directors</b>	106.	Except as otherwise provided by these Articles and subject to the provisions of the Act, all the Directors of the Company shall have in all matters equal rights and privileges, and be subject to equal obligations and duties in respect of the affairs of the Company.
<b>Directors to comply with Section 184</b>	107.	Notwithstanding anything contained in these presents, any Director contracting with the Company shall comply with the provisions of Section 184 of the Companies Act, 2013.
<b>Directors power of contract with Company</b>	108.	Subject to the limitations prescribed in the Companies Act, 2013, the Directors shall be entitled to contract with the Company and no Director shall be disqualified by having contracted with the Company as aforesaid.
<b>ROTATION OF DIRECTORS</b>	109.	<p><b>Rotation and retirement of Directors</b></p> <p>At every annual meeting, one-third of the Directors shall retire by rotation in accordance with provisions of Section 152 of the Act.</p>
<b>Retiring Directors eligible for re-election</b>	110.	A retiring Director shall be eligible for re-election and the Company at the General Meeting at which a Director retires in the manner aforesaid may fill up vacated office by electing a person thereto.
<b>Which Directors to retire</b>	111.	The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who become Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot.
<b>Retiring Directors to remain in office till successors are appointed</b>	112.	Subject to Section 152 of the Act, if at any meeting at which an election of Directors ought to take place, the place of the vacating or deceased Directors is not filled up and the meeting has not expressly resolved not to fill up or appoint the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a holiday at the same time, place, and if at the adjourned meeting the place of vacating Directors is not filled up and the meeting has also not expressly resolved not to fill up the vacancy, then the vacating Directors or such of them as have not had their places filled up shall be deemed to have been reappointed at the adjourned meeting.
<b>Power of General Meeting to</b>	113.	Subject to the provisions of Sections 149, 151 and 152 the Company in General Meeting may increase or reduce the number of Directors subject to the limits set

increase or reduce number of Directors		out in Article 93 and may also determine in what rotation the increased or reduced number is to retire.
Power to remove Directors by ordinary resolution	114.	Subject to provisions of Section 169 the Company, by Ordinary Resolution, may at any time remove any Director except Government Directors before the expiry of his period of office, and may by Ordinary Resolution appoint another person in his place. The person so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforementioned. A Director so removed from office shall not be re-appointed as a Director by the Board of Directors. Special Notice shall be required of any resolution to remove a Director under this Article, or to appoint somebody instead of the Director at the meeting at which he is removed.
Rights of persons other than retiring Directors to stand for Directorships	115.	Subject to the provisions of Section 160 of the Act, a person not being a retiring Director shall be eligible for appointment to the office of a Director at any general meeting if he or some other member intending to propose him as a Director has not less than fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of the Director, or the intention of such member to propose him as a candidate for that office, as the case may be "along with a deposit of such sum as may be prescribed by the Act or the Central Government from time to time which shall be refunded to such person or as the case may be, to such member, if the person succeeds in getting elected as a Director or gets more than 25% of total valid votes cast either on show of hands or electronically or on poll on such resolution".
Register of Directors and KMP and their shareholding	116.	The Company shall keep at its Registered Office a register containing the addresses and occupation and the other particulars as required by Section 170 of the Act of its Directors and Key Managerial Personnel and shall send to the Registrar of Companies returns as required by the Act.
Business to be carried on	117.	The business of the Company shall be carried on by the Board of Directors.
Meeting of the Board	118.	The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings, as it thinks fit, provided that a meeting of the Board shall be held at least once in every one hundred and twenty days; and at least four such meetings shall be held in every year.
Director may summon meeting	119.	A Director may at any time request the Secretary to convene a meeting of the Directors and seven days' notice of meeting of directors shall be given to every director and such notice shall be sent by hand delivery or by post or by electronic means.
Question how decided	120.	<p>a. Save as otherwise expressly provided in the Act, a meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.</p> <p>b. In case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a Director.</p>
Right of continuing Directors when there is no quorum	121.	The continuing Directors may act notwithstanding any vacancy in the Board, but if and as long as their number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a General Meeting of the Company and for no other purpose.
Quorum	122.	122. The quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two Directors whichever is higher; provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who

		are not interested present at the meeting being not less than two shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of the Board after deducting therefrom the number of Directors, if any, whose places are vacant at the time.
<b>Election of Chairman to the Board</b>	123.	123. If no person has been appointed as Chairman or Vice Chairman under Article 98(a) or if at any meeting, the Chairman or Vice Chairman of the Board is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be the Chairman of the meeting.
<b>Power to appoint Committees and to delegate</b>	124.	<p>a. The Board may, from time to time, and at any time and in compliance with provisions of the act and listing agreement constitute one or more Committees of the Board consisting of such member or members of its body, as the Board may think fit.</p> <p><b>Delegation of powers</b></p> <p>b. Subject to the provisions of Section 179 the Board may delegate from time to time and at any time to any Committee so appointed all or any of the powers, authorities and discretions for the time being vested in the Board and such delegation may be made on such terms and subject to such conditions as the Board may think fit and subject to provisions of the act and listing agreement.</p> <p>c. The Board may from, time to time, revoke, add to or vary any powers, authorities and discretions so delegated subject to provisions of the act and listing agreement.</p>
<b>Proceedings of Committee</b>	125.	The meeting and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto, and not superseded by any regulations made by the Directors under the last proceeding Article.
<b>Election of Chairman of the Committee</b>	126.	<p>a. The Chairman or the Vice Chairman shall be the Chairman of its meetings, if either is not available or if at any meeting either is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their number to be Chairman of the meeting.</p> <p>b. The quorum of a Committee may be fixed by the Board and until so fixed, if the Committee is of a single member or two members, the quorum shall be one and if more than two members, it shall be two.</p>
<b>Question how determined</b>	127.	<p>a. A Committee may meet and adjourn as it thinks proper.</p> <p>b. Questions arising at any meeting of a Committee shall be determined by the sole member of the Committee or by a majority of votes of the members present as the case may be and in case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a member of the Committee.</p>
<b>Acts done by Board or Committee valid, notwithstanding defective appointment, etc.</b>	128.	All acts done by any meeting of the Board or a Committee thereof, or by any person acting as a Director shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or any person acting as aforesaid, or that any of them was disqualified, be as valid as if every such Director and such person had been duly appointed and was qualified to be a Director.
<b>Resolution by circulation</b>	129.	Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with necessary papers, if any, to all the members of the Committee then in India (not being less in number than the quorum fixed for the meeting of the Board or the Committee as the case may) and to all other Directors or members at their usual address in India or by a majority of such of them as are entitled to vote on the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board or Committee duly

		convened and held.
<b>POWERS AND DUTIES OF DIRECTORS</b>	130.	<p><b>General powers of Company vested in Directors</b></p> <p>The business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not, by the act or any statutory modification thereof for the time being in force, or by these Articles, required to be exercised by the Company in General Meeting, subject nevertheless to any regulation of these Articles, to the provisions of the said Act, and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting; but no regulation made by the Company in General Meeting, shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.</p>
<b>Attorney of the Company</b>	131.	<p>The Board may appoint at any time and from time to time by a power of attorney under the Company's seal, any person to be the Attorney of the Company for such purposes and with such powers, authorities and discretions not exceeding those vested in or exercisable by the Board under these Articles and for such period and subject to such conditions as the Board may from time to time think fit and any such appointment, may, if the Board thinks fit, be made in favour of the members, or any of the members of any firm or company, or the members, Directors, nominees or managers of any firm or company or otherwise in favour of anybody or persons whether nominated directly or indirectly by the Board and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the Board may think fit.</p>
<b>Power to authorise sub delegation</b>	132.	<p>The Board may authorise any such delegate or attorney as aforesaid to sub-delegate all or any of the powers and authorities for the time being vested in him.</p>
<b>Directors' duty to comply with the provisions of the Act</b>	133.	<p>The Board shall duly comply with the provisions of the Act and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the Company or created by it, and keep a register of the Directors, and send to the Registrar an annual list of members and a summary of particulars relating thereto, and notice of any consolidation or increase of share capital and copies of special resolutions, and such other resolutions and agreements required to be filed under Section 117 of the Act and a copy of the Register of Directors and notifications of any change therein.</p>
<b>Special power of Directors</b>	134.	<p>In furtherance of and without prejudice to the general powers conferred by or implied in Article 130 and other powers conferred by these Articles, and subject to the provisions of Sections 179 and 180 of the Act, that may become applicable, it is hereby expressly declared that it shall be lawful for the Directors to carry out all or any of the objects set forth in the Memorandum of Association and to the following things.</p>

<b>To acquire and dispose of property and rights</b>	<b>135.</b>	<p>a. To purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit and to sell, let, exchange, or otherwise dispose of the property, privileges and undertakings of the Company upon such terms and conditions and for such consideration as they may think fit.</p> <p><b>To pay for property in debentures, etc.</b></p> <p>b. At their discretion to pay for any property, rights and privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures or other securities of the Company and any such shares may be issued either as fully paid-up or with such amount credited as paid-up, the sum as may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.</p> <p><b>To secure contracts by mortgages</b></p> <p>c. To secure the fulfillment of any contracts or agreements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they think fit.</p> <p><b>To appoint officers, etc.</b></p> <p>d. To appoint and at their discretion remove, or suspend such agents, secretaries, officers, clerks and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their powers and duties and fix their salaries or emoluments and to the required security in such instances and to such amount as they think fit.</p> <p>e. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payments or satisfaction of any dues and of any claims or demands by or against the Company.</p> <p><b>To refer to arbitration</b></p> <p>f. To refer to, any claims or demands by or against the Company to arbitration and observe and perform the awards.</p> <p><b>To give receipt</b></p> <p>g. To make and give receipts, releases and other discharges for money payable to the Company and of the claims and demands of the Company.</p> <p><b>To act in matters of bankrupts and insolvents</b></p> <p>h. To act on behalf of the Company in all matters relating to bankrupts and insolvents.</p> <p><b>To give security by way of indemnity</b></p> <p>i. To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.</p> <p><b>To give commission</b></p> <p>j. To give any person employed by the Company a commission on the profits of any particular business or transaction or a share in the general profits of the Company.</p> <p><b>To make contracts etc.</b></p> <p>k. To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.</p> <p><b>To make bye-laws</b></p> <p>l. From time to time, make, vary and repeal bye-laws for the regulations of</p>
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		<p>the business for the Company, its officers and servants.</p> <p><b>To set aside profits for provided fund</b></p> <p>m. Before recommending any dividends, to set-aside portions of the profits of the Company to form a fund to provide for such pensions, gratuities or compensations; or to create any provident fund or benefit fund in such or any other manner as the Directors may deem fit.</p> <p><b>To make and alter rules</b></p> <p>n. To make and alter rules and regulations concerning the time and manner of payments of the contributions of the employees and the Company respectively to any such fund and accrual, employment, suspension and forfeiture of the benefits of the said fund and the application and disposal thereof and otherwise in relation to the working and management of the said fund as the Directors shall from time to time think fit.</p> <p>o. And generally, at their absolute discretion, to do and perform every act and thing which they may consider necessary or expedient for the purpose of carrying on the business of the Company, excepting such acts and things as by Memorandum of Association of the Company or by these presents may stand prohibited.</p>
<b>Managing Director</b>	<b>136.</b>	<p>a. Subject to the provisions of Section 196, 197, 2(94), 203 of the Act, the following provisions shall apply:</p> <p>b. The Board of Directors may appoint or re-appoint one or more of their body, not exceeding two, to be the Managing Director or Managing Directors of the Company for such period not exceeding 5 years as it may deem fit, subject to such approval of the Central Government as may be necessary in that behalf.</p> <p>c. The remuneration payable to a Managing Director shall be determined by the Board of Directors subject to the sanction of the Company in General Meeting and of the Central Government, if required.</p> <p>d. If at any time there are more than one Managing Director, each of the said Managing Directors may exercise individually all the powers and perform all the duties that a single Managing Director may be empowered to exercise or required to perform under the Companies Act or by these presents or by any Resolution of the Board of Directors and subject also to such restrictions or conditions as the Board may from time to time impose.</p> <p>e. The Board of Directors may at any time and from time to time designate any Managing Director as Deputy Managing Director or Joint Managing Director or by such other designation as it deems fit.</p> <p>f. Subject to the supervision, control and directions of the Board of Directors, the Managing Director/Managing Directors shall have the management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties and in relation to the management of the affairs, except such powers and such duties as are required by Law or by these presents to be exercised or done by the Company in General Meeting or by the Board and also subject to such conditions and restrictions imposed by the Act or by these presents or by the Board of Directors. Without prejudice to the generality of the foregoing, the Managing Director/Managing Directors shall exercise all powers set out in Article 137 above except those which are by law or by these presents or by any resolution of the Board required to be exercised by the Board or by the Company in General Meeting.</p>
<b>Whole-time Director</b>	<b>137.</b>	<p>1. Subject to the provisions of the Act and subject to the approval of the Central Government, if any, required in that behalf, the Board may appoint one or more of its body, as Whole-time Director or Wholetime Directors on such designation and on such terms and conditions as it may deem fit. The Whole-time Directors shall perform such duties and exercise such powers as the Board may from time to time determine which shall exercise all such powers and perform all such duties subject to the control, supervision and directions of the Board and subject thereto the supervision and directions of the Managing</p>

		<p>Director. The remuneration payable to the Whole-time Directors shall be determined by the Company in General Meeting, subject to the approval of the Central Government, if any, required in that behalf.</p> <p>2. A Whole-time Director shall (subject to the provisions of any contract between him and the Company) be subject to the same provisions as to resignation and removal as the other Directors, and he shall, ipso facto and immediately, cease to be Whole-time Director, if he ceases to hold the Office of Director from any cause except where he retires by rotation in accordance with the Articles at an Annual General Meeting and is re-elected as a Director at that Meeting.</p>
<b>Secretary</b>	138.	138. The Board shall have power to appoint a Secretary a person fit in its opinion for the said office, for such period and on such terms and conditions as regards remuneration and otherwise as it may determine. The Secretary shall have such powers and duties as may, from time to time, be delegated or entrusted to him by the Board.
<b>Powers as to commencement of business</b>	139.	Subject to the provisions of the Act, any branch or kind of business which by the Memorandum of Association of the Company or these presents is expressly or by implication authorised to be undertaken by the Company, may be undertaken by the Board at such time or times as it shall think fit and further may be suffered by it to be in abeyance whether such branch or kind of business may have been actually commenced or not so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.
<b>Delegation of power</b>	140.	Subject to Section 179 the Board may delegate all or any of its powers to any Director, jointly or severally or to any one Director at its discretion or to the Executive Director.
<b>BORROWING</b>	141.	<p>a. The Board may, from time to time, raise any money or any moneys or sums of money for the purpose of the Company; provided that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not, without the sanction of the Company at a General Meeting, exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set-apart for any specific purpose and in particular but subject to the provisions of Section 179 of the Act, the Board may, from time to time, at its discretion raise or borrow or secure the payment of any such sum or sums of money for the purpose of the Company, by the issue of debentures to members, perpetual or otherwise including debentures convertible into shares of this or any other company or perpetual annuities in security of any such money so borrowed, raised or received, mortgage, pledge or charge, the whole or any part of the property, assets, or revenue of the Company, present or future, including its uncalled capital by special assignment or otherwise or transfer or convey the same absolutely or entrust and give the lenders powers of sale and other powers as may be expedient and purchase, redeem or pay off any such security.</p> <p>Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount upto which moneys may be borrowed by the Board of Directors, provided that subject to the provisions of clause next above, the Board may, from time to time, at its discretion, raise or borrow or secure the repayment of any sum or sums of money for the purpose of the Company as such time and in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by promissory notes or by opening current accounts, or by receiving deposits and advances, with or without security or by the issue of bonds, perpetual or redeemable debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any land, building, bond or other property and security of</p>



		the Company or by such other means as them may seem expedient.
<b>Assignment of debentures</b>	<b>142.</b>	Such debentures, debenture stock, bonds or other securities may be made assignable, free from any equities between the Company and the person to whom the same may be issued.
<b>Terms of debenture issue</b>	<b>143.</b>	<p>a. Any such debenture, debenture stock, bond or other security may be issued at a discount, premium or otherwise, and with any special privilege as the redemption, surrender, drawing, allotment of shares of the Company, or otherwise, provided that debentures with the right to allotment or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.</p> <p>b. Any trust deed for securing of any debenture or debenture stock and or any mortgage deed and/or other bond for securing payment of moneys borrowed by or due by the Company and/or any contract or any agreement made by the Company with any person, firm, body corporate, Government or authority who may render or agree to render any financial assistance to the Company by way of loans advanced or by guaranteeing of any loan borrowed or other obligations of the Company or by subscription to the share capital of the Company or provide assistance in any other manner may provide for the appointment from time to time, by any such mortgagee, lender, trustee or holders of debentures or contracting party as aforesaid, of one or more persons to be a Director or Directors of the Company. Such trust deed, mortgage deed, bond or contract may provide that the person appointing a Director as aforesaid may, from time to time, remove any Director so appointed by him and appoint any other person in his place and provide for filling up of any casual vacancy created by such person vacating office as such Director. Such power shall determine and terminate on the discharge or repayment of the respective mortgage, loan or debt or debenture or on the termination of such contract and any person so appointed as Director under mortgage or bond or debenture trust deed or under such contract shall cease to hold office as such Director on the discharge of the same. Such appointment and provision in such document as aforesaid shall be valid and effective as if contained in these presents.</p> <p>c. The Director or Directors so appointed by or under a mortgage deed or other bond or contract as aforesaid shall be called a Mortgage Director or Mortgage Directors and the Director if appointed as aforesaid under the provisions of a debenture trust deed shall be called "Debenture Director". The words "Mortgage" or "Debenture Director" shall mean the Mortgage Director for the time being in office. The Mortgage Director or Debenture Director shall not be required to hold any qualification shares and shall not be liable to retire by rotation or to be removed from office by the Company. Such mortgage deed or bond or trust deed or contract may contain such auxiliary provision as may be arranged between the Company and mortgagee lender, the trustee or contracting party, as the case may be, and all such provisions shall have effect notwithstanding any of the other provisions herein contained but subject to the provisions of the Act.</p> <p>d. The Directors appointed as Mortgage Director or Debenture Director or Corporate Director under the Article shall be deemed to be ex-officio Directors.</p> <p>e. The total number of ex-officio Directors, if any, so appointed under this Article together with the other ex-officio Directors, if any, appointment under any other provisions of these presents shall not at any time exceed one-third of the whole number of Directors for the time being.</p>
<b>Charge on uncalled capital</b>	<b>144.</b>	Any uncalled capital of the Company may be included in or charged by mortgage or other security.
<b>Subsequent assignees of uncalled capital</b>	<b>145.</b>	Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject such prior charge, and shall not be entitled, by notice to the shareholder or otherwise, to obtain priority

		over such prior charge.
Charge in favour of Director of indemnity	146.	If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or other person so becoming liable as aforesaid from any loss in respect of such liability.
Powers to be exercised by Board only at meeting	147.	<p>a. Subject to the provisions of the Act, the Board shall exercise the following powers on behalf of the Company and the said power shall be exercised only by resolution passed at the meetings of the Board.</p> <ul style="list-style-type: none"> <li>(a) to make calls on shareholders in respect of money unpaid on their shares;</li> <li>(b) to authorise buy-back of securities under section 68;</li> <li>(c) to issue securities, including debentures, whether in or outside India;</li> <li>(d) to borrow monies;</li> <li>(e) to invest the funds of the company;</li> <li>(f) to grant loans or give guarantee or provide security in respect of loans;</li> <li>(g) to approve financial statement and the Board's report;</li> <li>(h) to diversify the business of the company;</li> <li>(i) to approve amalgamation, merger or reconstruction;</li> <li>(j) to take over a company or acquire a controlling or substantial stake in another company;</li> <li>(k) to make political contributions;</li> <li>(l) to appoint or remove key managerial personnel (KMP);</li> <li>(m) to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;</li> <li>(n) to appoint internal auditors and secretarial auditor;</li> <li>(o) to take note of the disclosure of director's interest and shareholding;</li> <li>(p) to buy, sell investments held by the company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee company;</li> <li>(q) to invite or accept or renew public deposits and related matters;</li> <li>(r) to review or change the terms and conditions of public deposit;</li> <li>(s) to approve quarterly, half yearly and annual financial statements or financial results as the case may be.</li> <li>(t) such other business as may be prescribed by the Act.</li> </ul> <p>b. The Board may by a meeting delegate to any Committee of the Board or to the Managing Director the powers specified in Sub-clauses, d, e and f above.</p> <p>c. Every resolution delegating the power set out in Sub-clause d shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the said delegate.</p> <p>d. Every resolution delegating the power referred to in Sub-clause e shall specify the total amount upto which the funds may be invested and the nature of investments which may be made by the delegate.</p> <p>e. Every resolution delegating the power referred to in Sub-clause f above shall specify the total amount upto which loans may be made by the delegate, the purposes for which the loans may be made, and the maximum amount of loans that may be made for each such purpose in individual cases.</p>
Register of mortgage to be kept	148.	The Directors shall cause a proper register and charge creation documents to be kept in accordance with the provisions of the Companies Act, 2013 for all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act, in regard to the registration of mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act, in regard to the registration of mortgages and charges therein specified and otherwise and shall also duly comply with the requirements of the said Act as to keeping a copy of every instrument creating any mortgage or charge by the

		Company at the office.
<b>Register of holders of debentures</b>	<b>149.</b>	Every register of holders of debentures of the Company may be closed for any period not exceeding on the whole forty five days in any year, and not exceeding thirty days at any one time. Subject as the aforesaid, every such register shall be open to the inspection of registered holders of any such debenture and of any member but the Company may in General Meeting impose any reasonable restriction so that at least two hours in every day, when such register is open, are appointed for inspection.
<b>Inspection of copies of and Register of Mortgages</b>	<b>150.</b>	The Company shall comply with the provisions of the Companies Act, 2013, as to allow inspection of copies kept at the Registered Office in pursuance of the said Act, and as to allowing inspection of the Register of charges to be kept at the office in pursuance of the said Act.
<b>Supplying copies of register of holder of debentures</b>	<b>151.</b>	The Company shall comply with the provisions of the Companies Act, 2013, as to supplying copies of any register of holders of debentures or any trust deed for securing any issue of debentures.
<b>Right of holders of debentures as to Financial Statements</b>	<b>152.</b>	Holders of debentures and any person from whom the Company has accepted any sum of money by way of deposit, shall on demand, be entitled to be furnished, free of cost, or for such sum as may be prescribed by the Government from time to time, with a copy of the Financial Statements of the Company and other reports attached or appended thereto.
<b>Minutes</b>	<b>153.</b>	<p>a. The Company shall comply with the requirements of Section 118 of the Act, in respect of the keeping of the minutes of all proceedings of every General Meeting and every meeting of the Board or any Committee of the Board.</p> <p>b. The Chairman of the meeting shall exclude at his absolute discretion such of the matters as are or could reasonably be regarded as defamatory of any person irrelevant or immaterial to the proceedings or detrimental to the interests of the Company.</p>
<b>Managing Director's power to be exercised severally</b>	<b>154.</b>	All the powers conferred on the Managing Director by these presents, or otherwise may, subject to any directions to the contrary by the Board of Directors, be exercised by any of them severally.
<b>MANAGER</b>	<b>155.</b>	Subject to the provisions of the Act, the Directors may appoint any person as Manager for such term not exceeding five years at a time at such remuneration and upon such conditions as they may think fit and any Manager so appointed may be removed by the Board.
<b>Common Seal</b>	<b>156.</b>	The Board shall provide a common seal of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. The common seal shall be kept at the Registered Office of the Company and committed to the custody of the Directors.
<b>Affixture of Common Seal</b>	<b>157.</b>	The seal shall not be affixed to any instrument except by the authority of a resolution of the Board or Committee and unless the Board otherwise determines, every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company, be signed by one Director and the Secretary in whose presence the seal shall have been affixed or such other person as may, from time to time, be authorised by the Board and provided nevertheless that any instrument bearing the seal of the Company issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority to issue the same provided also the counter signature of the Chairman or the Vice Chairman, which shall be sealed in the presence of any one Director and signed by him on behalf of the Company.
<b>DIVIDENDS AND RESERVES</b>	<b>158.</b>	<p><b>Rights to Dividend</b></p> <p>The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of these presents as to the Reserve Fund, shall be divisible among the equity</p>

		shareholders.
<b>Declaration of Dividends</b>	<b>159.</b>	The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.
<b>What to be deemed net</b>	<b>160.</b>	The declarations of the Directors as to the amount of the net profits of the Company shall be conclusive.
<b>Interim Dividend</b>	<b>161.</b>	The Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.
<b>Dividends to be paid out of profits only</b>	<b>162.</b>	No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 123 of the Act.
<b>Reserve Funds</b>	<b>163.</b>	<p>a. The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends and pending such application may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.</p> <p>b. The Board may also carry forward any profits which it may think prudent not to divide without setting them aside as Reserve.</p>
<b>Method of payment of dividend</b>	<b>164.</b>	<p>a. Subject to the rights of persons, if any, entitled to share with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid.</p> <p>b. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of these regulations as paid on the share.</p> <p>c. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date, such shares shall rank for dividend accordingly.</p>
<b>Deduction of arrears</b>	<b>165.</b>	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls in relation to the shares of the Company or otherwise.
<b>Adjustment of dividend against call</b>	<b>166.</b>	Any General Meeting declaring a dividend or bonus may make a call on the members of such amounts as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and themselves, be set off against the call.
<b>Payment by cheque or warrant</b>	<b>167.</b>	<p>a. Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through post directly to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named in the Register of Members or to such person and to such address of the holder as the joint holders may in writing direct.</p> <p>b. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p> <p>c. Every dividend or warrant or cheque shall be posted within thirty days from the date of declaration of the dividends.</p>

<b>Retention in certain cases</b>	<b>168.</b>	<p>The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause entitled to become a member in respect thereof or shall duly transfer the same.</p> <p><b>Receipt of joint holders</b></p> <p>(A) Where any instrument of transfer of shares has been delivered to the Company for registration on holders, the Transfer of such shares and the same has not been registered by the Company, it shall, and notwithstanding anything contained in any other provision of the Act:</p> <ul style="list-style-type: none"> <li>a) transfer the dividend in relation to such shares to the Special Account referred to in Sections 123 and 124 of the Act, unless the Company is authorised by the registered holder, of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer, and</li> <li>b) Keep in abeyance in relation to such shares any offer of rights shares under Clause(a) of Sub-section (1) of Section 62 of the Act, and any issue of fully paid-up bonus shares in pursuance of Sub-section (3) of Section 123 of the Act".</li> </ul>
<b>Deduction of arrears</b>	<b>169.</b>	Any one of two of the joint holders of a share may give effectual receipt for any dividend, bonus, or other money payable in respect of such share.
<b>Notice of Dividends</b>	<b>170.</b>	Notice of any dividend that may have been declared shall be given to the person entitled to share therein in the manner mentioned in the Act.
<b>Dividend not to bear interest</b>	<b>171.</b>	No dividend shall bear interest against the Company.
<b>Unclaimed Dividend</b>	<b>172.</b>	No unclaimed dividends shall be forfeited. Unclaimed dividends shall be dealt with in accordance to the provisions of Sections 123 and 124 of the Companies Act, 2013.
<b>Transfer of share not to pass prior Dividend</b>	<b>173.</b>	Any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
<b>Capitalisation of Profits</b>	<b>174.</b>	<p>a. The Company in General Meeting, may on the recommendation of the Board, resolve:</p> <ol style="list-style-type: none"> <li>1. that the whole or any part of any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Fund or any money, investment or other asset forming part of the undivided profits, including profits or surplus moneys arising from the realisation and (where permitted by law) from the appreciation in value of any Capital assets of the Company standing to the credit of the General Reserve, Reserve or any Reserve Fund or any amounts standing to the credit of the Profit and Loss Account or any other fund of the Company or in the hands of the Company and available for the distribution as dividend capitalised; and</li> <li>2. that such sum be accordingly set free for distribution in the manner specified in Sub-clause (2) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.</li> </ol> <p>b. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in Subclause (3) either in or towards:</p> <ol style="list-style-type: none"> <li>1. paying up any amount for the time being unpaid on any share held by such members respectively;</li> <li>2. paying up in full unissued shares of the Company to be allotted and distributed and credited as fully paid-up to and amongst such members in the proportion aforesaid; or</li> <li>3. partly in the way specified in Sub-clause (i) and partly in that specified in Sub-clause (ii).</li> </ol> <p>c. A share premium account and a capital redemption reserve account may for the purpose of this regulation be applied only in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.</p> <p>d. The Board shall give effect to resolutions passed by the Company in pursuance of this Article.</p>
<b>Powers of</b>	<b>175.</b>	<p>a. Whenever such a resolution as aforesaid shall have been passed, the</p>

Directors declaration for Bonus		Board shall: 1. make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issue or fully paid shares if any; and 2. generally do all acts and things required to give effect thereto. b. The Board shall have full power: 1. to make such provision by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit in the case of shares becoming distributable in fractions and also; 2. to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid-up of any further shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on the existing shares. c. Any agreement made under such authority shall be effective and binding on all such members.
Books of account to be kept	176.	a. The Board shall cause proper books of accounts to be kept in respect of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place, of all sales and purchases of goods by the Company, and of the assets and liabilities of the Company. b. All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch as the case may be, with respect to the matters aforesaid, and explain in transactions. c. The books of accounts shall be open to inspection by any Director during business hours.
Where books of account to be kept	177.	The books of account shall be kept at the Registered Office or at such other place as the Board thinks fit.
Inspection by members	178.	The Board shall, from time to time, determine whether and to what extent and at what time and under what conditions or regulations the accounts and books and documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspection any account or book or document of the Company except as conferred by statute or authorised by the Board or by a resolution of the Company in General Meeting.
Statement of account to be furnished to General Meeting	179.	The Board shall lay before such Annual General Meeting, financial statements made up as at the end of the financial year which shall be a date which shall not precede the day of the meeting by more than six months or such extension of time as shall have been granted by the Registrar under the provisions of the Act.
Financial Statements	180.	Subject to the provisions of Section 129, 133 of the Act, every financial statements of the Company shall be in the forms set out in Parts I and II respectively of Schedule III of the Act, or as near thereto as circumstances admit.
Authentication of Financial Statements	181.	a. Subject to Section 134 of the Act, every financial statements of the Company shall be signed on behalf of the Board by not less than two Directors. b. The financial statements shall be approved by the Board before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the Auditors for their report thereon.
Auditors Report to be annexed	182.	The Auditor's Report shall be attached to the financial statements.



<b>Board's Report to be attached to Financial Statements</b>	<b>183.</b>	<p>a. Every financial statement laid before the Company in General Meeting shall have attached to it a report by the Board with respect to the state of the Company's affairs, the amounts, if any, which it proposes to carry to any reserve either in such Balance Sheet or in a subsequent Balance Sheet and the amount, if any, which it recommends to be paid by way of dividend.</p> <p>b. The report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to its business or that of any of its subsidiaries, deal with any change which has occurred during the financial year in the nature of the Company's business or that of the Company's subsidiaries and generally in the classes of business in which the Company has an interest and material changes and commitments, if any, affecting the financial position of the Company which has occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the report.</p> <p>c. The Board shall also give the fullest information and explanation in its report or in case falling under the provision of Section 134 of the Act in an addendum to that Report on every reservation, qualification or adverse remark contained in the Auditor's Report.</p> <p>d. The Board's Report and addendum, if any, thereto shall be signed by its Chairman if he is authorised in that behalf by the Board; and where he is not authorised, shall be signed by such number of Directors as is required to sign the Financial Statements of the Company under Article 181.</p> <p>e. The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of Sub-clauses (a) to (e) of this Article are complied with.</p>
<b>Right of member to copies of Financial Statements</b>	<b>184.</b>	The Company shall comply with the requirements of Section 136.
<b>Annual Returns</b>	<b>185.</b>	The Company shall make the requisite annual return in accordance with Section 92 of the Act.

AUDIT	186.	<p><b>Accounts to be audited</b></p> <p>a. Every Financial Statement shall be audited by one or more Auditors to be appointed as hereinafter mentioned.</p> <p>b. Subject to provisions of the Act, The Company at the Annual General Meeting shall appoint an Auditor or Firm of Auditors to hold office from the conclusion of that meeting until the conclusion of the fifth Annual General Meeting and shall, within seven days of the appointment, give intimation thereof to every Auditor so appointed unless he is a retiring Auditor.</p> <p>c. At every Annual General Meeting, reappointment of such auditor shall be ratified by the shareholders.</p> <p>d. Where at an Annual General Meeting no Auditors are appointed or reappointed, the Central Government may appoint a person to fill the vacancy.</p> <p>e. The Company shall, within seven days of the Central Government's power under Sub-clause (d) becoming exercisable, give notice of that fact to that Government.</p> <p>f. 1. The first Auditor or Auditors of the Company shall be appointed by the Board of Directors within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.</p> <p>Provided that the Company may at a General Meeting remove any such Auditor or all or any of such Auditors and appoint in his or their places any other person or persons who have been nominated for appointment by any such member of the Company and of whose nomination notice has been given to the members of the Company, not less than 14 days before the date of the meeting; and</p> <p>2. If the Board fails to exercise its power under this Sub-clause, the Company in General Meeting may appoint the first Auditor or Auditors.</p> <p>g. The Directors may fill any casual vacancy in the office of an Auditor, but while any such vacancy continues, the remaining Auditor or Auditors, if any, may act, but where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.</p> <p>h. A person other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless Special Notice of a resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 115 of the Act and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with Section 190 of the Act and all other provisions of Section 140 of the Act shall apply in the matter. The provisions of this Sub-clause shall also apply to a resolution that retiring Auditor shall be reappointed.</p> <p>i. The persons qualified for appointment as Auditors shall be only those referred to in Section 141 of the Act.</p> <p>j. Subject to the provisions of Section 146 of the Act, the Auditor of the company shall attend general meetings of the company.</p>
Audit of Branch Offices	187.	The Company shall comply with the provisions of Section 143 of the Act in relation to the audit of the accounts of Branch Offices of the Company.
Remuneration of Auditors	188.	The remuneration of the Auditors shall be fixed by the Company in General Meeting except that the remuneration of any Auditor appointed to fill and casual vacancy may be fixed by the Board.
Rights and duties of Auditors	189.	<p>a. Every Auditor of the Company shall have a right of access at all times to the books of accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanations as may be necessary for the performance of his duties as Auditor.</p> <p>b. All notices of, and other communications relating to any General Meeting of a Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditor, and the Auditor shall be entitled to attend any General Meeting and to be heard at any General Meeting which he</p>

		<p>attends on any part of the business which concerns him as Auditor.</p> <p>c. The Auditor shall make a report to the members of the Company on the accounts examined by him and on Financial statements and on every other document declared by this Act to be part of or annexed to the Financial statements, which are laid before the Company in General Meeting during his tenure of office, and the report shall state whether, in his opinion and to the best of his information and according to explanations given to him, the said accounts give the information required by this Act in the manner so required and give a true and fair view:</p> <ol style="list-style-type: none"> <li>1. in the case of the Balance Sheet, of the state of affairs as at the end of the financial year and</li> <li>2. in the case of the Statement of Profit and Loss, of the profit or loss for its financial year.</li> </ol> <p>d. The Auditor's Report shall also state:</p> <ul style="list-style-type: none"> <li>(a) whether he has sought and obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit and if not, the details thereof and the effect of such information on the financial statements;</li> <li>(b) whether, in his opinion, proper books of account as required by law have been kept by the company so far as appears from his examination of those books and proper returns adequate for the purposes of his audit have been received from branches not visited by him;</li> <li>(c) whether the report on the accounts of any branch office of the company audited under sub-section (8) by a person other than the company's auditor has been sent to him under the proviso to that sub-section and the manner in which he has dealt with it in preparing his report;</li> <li>(d) whether the company's balance sheet and profit and loss account dealt with in the report are in agreement with the books of account and returns;</li> <li>(e) whether, in his opinion, the financial statements comply with the accounting standards;</li> <li>(f) the observations or comments of the auditors on financial transactions or matters which have any adverse effect on the functioning of the company;</li> <li>(g) whether any director is disqualified from being appointed as a director under sub-section (2) of section 164;</li> <li>(h) any qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;</li> <li>(i) whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;</li> <li>(j) whether the company has disclosed the impact, if any, of pending litigations on its financial position in its financial statement;</li> <li>(k) whether the company has made provision, as required under any law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;</li> <li>(l) whether there has been any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.</li> </ul> <p>e. Where any of the matters referred to in Clauses (i) and (ii) of Sub-section (2) of Section 143 of the Act or in Clauses (a), (b) and (c) of Sub-section (3) of Section 143 of the Act or Sub-clause (4) (a) and (b) and (c) hereof is answered in the negative or with a qualification, the Auditor's Report shall state the reason for such answer.</p> <p>f. The Auditor's Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.</p>
<b>Accounts whether audited and approved to be conclusive</b>	<b>190.</b>	Every account of the Company when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period, the accounts shall forthwith be corrected, and

		henceforth be conclusive.
<b>Service of documents on the Company</b>	191.	A document may be served on the Company or any officer thereof by sending it to the Company or officer at the Registered Office of the Company by Registered Post, or by leaving it at the Registered Office or in electronic mode in accordance with the provisions of the act.
<b>How documents to be served to members</b>	192.	<p>a. A document (which expression for this purpose shall be deemed to include and shall include any summons, notice, requisition, process, order judgement or any other document in relation to or the winding up of the Company) may be served personally or by sending it by post to him to his registered address or in electronic mode in accordance with the provisions of the act., or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the giving of notices to him.</p> <p>b. All notices shall, with respect to any registered shares to which persons are entitled jointly, be given to whichever of such persons is named first in the Register, and notice so given shall be sufficient notice to all the holders of such shares.</p> <p>c. Where a document is sent by post:</p> <p>i. service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the notice, provided that where a member has intimated to the Company in advance that documents should be sent to him under a Certificate of Posting or by Registered Post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the member, and such service shall be deemed to have been effected;</p> <p>a. in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the notice is posted, and</p> <p>b. in any other case, at the time at which the letter should be delivered in the ordinary course of post.</p>
<b>Members to notify address in India</b>	193.	Each registered holder of share(s) shall, from time to time, notify in writing to the Company some place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.
<b>Service on members having no registered address in India</b>	194.	If a member has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him, a document advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears.
<b>Service on persons acquiring shares on death or insolvency of members</b>	195.	A document may be served by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of deceased or assignees of the insolvent or by any like descriptions at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served if the death or insolvency had not occurred.
<b>Notice valid though member deceased</b>	196.	Any notice of document delivered or sent by post or left at the registered address of any member in pursuance of these presents shall, notwithstanding that such member by then deceased and whether or not the Company has notice of his decease, be deemed to have been duly served in respect of any registered share whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his or on her heirs, executors or administrators, and all other persons, if any, jointly interested with him or her in any such share.

<b>Persons entitled to Notice of General Meeting</b>	197.	<p>197. Subject to the provisions of Section 101 the Act and these Articles, notice of General Meeting shall be given to;</p> <ul style="list-style-type: none"> <li>(a) every member of the company, legal representative of any deceased member or the assignee of an insolvent member;</li> <li>(b) the auditor or auditors of the company; and</li> <li>(c) every director of the company.</li> </ul> <p>Any accidental omission to give notice to, or the non-receipt of such notice by, any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.</p>
<b>Advertisement</b>	198.	<p>a. Subject to the provisions of the Act, any document required to be served on or sent to the members, or any of them by the Company and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the district where the Registered Office of the Company is situated.</p> <p>b. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered in the Register shall be duly given to the person from whom he derived his title to such share or stock.</p>
<b>Transference, etc. bound by prior notices</b>	199.	Every person, who by the operation of law, transfer, or other means whatsoever, shall become entitled to any share, shall be bound by every document in respect of such share which previously to his name and address being entered in the Register, shall have been duly served on or sent to the person from whom he derives his title to the share.
<b>How notice to be signed</b>	200.	Any notice to be given by the Company shall be signed by the Managing Director or by such Director or officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.
<b>Authentication of document and proceeding</b>	201.	Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, or the Managing Director or an authorised officer of the Company and need not be under its seal.
<b>Winding up</b>	202.	Subject to the provisions of the Act as to preferential payments, the assets of a Company shall, on its winding-up be applied in satisfaction of its liabilities pari-passu and, subject to such application, shall, unless the articles otherwise provide, be distributed among the members according to their rights and interests in the Company.
<b>Division of assets of the Company in specie among members</b>	203.	If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of a Special Resolution, divide among the contributors, in specie or kind, and part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributors or any of them, as the liquidators with the like sanction shall think fit. In case any shares, to be divided as aforesaid involves a liability to calls or otherwise, any person entitled under such division to any of the said shares may, within ten days after the passing of the Special Resolution by notice in writing, direct the liquidators to sell his proportion and pay him the net proceeds, and the liquidators shall, if practicable, act accordingly.

INDEMNITY AND RESPONSIBILITY	204.	<p><b>Directors' and others' right to indemnity</b></p> <p>a. Subject to the provisions of Section 197 of the Act every Director, Manager, Secretary and other officer or employee of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses, and expenses (including travelling expenses) which Service of documents on the Company any such Director, officer or employee may incur or becomes liable to by reason of any contract entered into or act or deed done by him or any other way in the discharge of his duties, as such Director, officer or employee.</p> <p>b. Subject as aforesaid, every Director, Manager, Secretary, or other officer/employee of the Company shall be indemnified against any liability, incurred by them or him in defending any proceeding whether civil or criminal in which judgement is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 463 of the Act in which relief is given to him by the Court and without prejudice to the generality of the foregoing, it is hereby expressly declared that the Company shall pay and bear all fees and other expenses incurred or incurable by or in respect of any Director for filing any return, paper or document with the Registrar of Companies, or complying with any of the provisions of the Act in respect of or by reason of his office as a Director or other officer of the Company.</p>
	205.	<p>Subject to the provisions of Section 197 of the Act, no Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer, or for joining in any receipt or other act for conformity for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the Company, or for the insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the Company or for the insufficiency or deficiency of any money invested, or for any loss or damages arising from the bankruptcy, insolvency or tortious act of any person, company or corporation with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight on his part of for any loss or damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own act or default.</p>
SECURITY CLAUSE	206.	<p>a. No member shall be entitled to visit or inspect the Company's works without the permission of the Directors or Managing Director or to require discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or which may relate to the conduct of the business of the Company and which, in the opinion of the Directors, will be inexpedient in the interests of the Company to communicate to the public.</p> <p>b. Every Director, Managing Director, Manager, Secretary, Auditor, Trustee, Members of a Committee, Officers, Servant, Agent, Accountant or other person employed in the business of the Company, shall, if so required by the Directors before entering upon his duties, or at any time during his term of office sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of accounts and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of duties except when required so to do by the Board or by any General Meeting or by a Court of Law or by the persons to whom such matters relate and except so far as may be necessary, in order to comply with any of the provisions contained in these Articles.</p>



<b>REGISTERS, INSPECTION AND COPIES THEREOF</b>	207.	<p>a. Any Director or Member or person can inspect the statutory registers maintained by the company, which may be available for inspection of such Director or Member or person under provisions of the act by the company, provided he gives fifteen days notice to the company about his intention to do so.</p> <p>b. Any Director or Member or person can take copies of such registers of the company by paying Rs. 10 per page to the company. The company will take steps to provide the copies of registers to such person within Fifteen days of receipt of money.</p>
<b>GENERAL AUTHORITY</b>	208.	Wherever in the applicable provisions under the Act, it has been provided that, any Company shall have any right, authority or that such Company could carry out any transaction only if the Company is authorised by its Articles, this regulation hereby authorises and empowers the Company to have such right, privilege or authority and to carry out such transaction as have been permitted by the Act without there being any specific regulation or clause in that behalf in this articles.



## SECTION X - OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of the Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the 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 1011, Sakar -5, B/h. Natraj Cinema, Ashram Road, Ahmedabad - 380009 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 April 04, 2017 between our Company and the Lead Manager.
2. Agreement dated March 10, 2017 between our Company and the Registrar to the Issue.
3. Underwriting Agreement dated April 04, 2017 between our Company, the Lead Manager, and Underwriter.
4. Market Making Agreement dated April 04, 2017 between our Company, Lead Manager and Market Maker.
5. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated March 03, 2017
6. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated February 20, 2017
7. Banker's to the Issue Agreement dated [●] between our Company, the Lead Manager, Escrow Collection Bank and the Registrar to the Issue.

#### Material Documents

1. Certified true copy of the Memorandum and Articles of Association of our Company including certificates of incorporation.
2. Board resolution dated January 31, 2017 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 February 7, 2017.
3. Statement of Tax Benefits dated January 20, 2017 issued by our Statutory Auditors, M/s. P.D. Goinkar & Co., Chartered Accountants.
4. Copy of Restated Audit report from the peer review certified auditor, M/s. P.D. Goinkar & Co., Chartered Accountants dated April 10, 2017 included in the Draft Prospectus.
5. Copy of Certificate from the Auditor dated March 28, 2017, regarding the source and deployment of funds as on March 27, 2017.
6. Copies of Annual reports of the Company for the period ended November 30, 2016 and for the years ended March 31, 2016, 2015, 2014, 2013, 2012.



7. Consents of Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditors, Peer Review Auditor, Legal Advisor to the Issue, Bankers to our Company, Lead Manager, Registrar to the Issue, Underwriter and Market Maker to include their names in the Draft Prospectus to act in their respective capacities.
8. Due Diligence Certificate dated April 11, 2017 from the Lead Manager.
9. Copy of special resolution and agreement both dated February 7, 2017 for re-appointment of Mr. Chandresh S. Saraswat as a Managing Director and Ms. Ankita Saraswat as a Whole Time Director.
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.



## SECTION XI- DECLARATION

All the relevant provisions of the Companies Act, 1956 / Companies Act, 2013 (to the extent notified) and the guidelines issued by the Government of India or the 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 (to the extent notified) the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations issued, 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. Chandresh Santosh Kumar Saraswat	Chairman and Managing Director	
Ms. Ankita Chandresh Saraswat	Whole Time Director	
Mr. Santosh Kumar Saraswat	Non-Executive Director	
Mr. Abhay Rameshchandra Shrivastava	Independent Director	
Mr. Jitesh Tiwari	Independent Director	

**Signed by:**

Name	Designation	Signature
Mr. Dashang Khatri	Company Secretary & Compliance Officer	
Mr. Lokeshkumar Edival	Chief Financial Officer	

**Place: Ahmedabad**

**Date: April 13, 2017**



## ANNEXURE A

**FORMAT FOR DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY GRETEX CORPORATE SERVICES PRIVATE LIMITED**

FORMAT FOR DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY GRETEX CORPORATE SERVICES PRIVATE LIMITED

Sr No	Issuer Name	Issue Size(Cr) Rs)	Issue Price (Rs)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]-	+/- % change in closing price, [+/- % change in closing benchmark]-	+/- % change in closing price, [+/- % change in closing benchmark]-
1.	Veeram ornaments limited	5.12	45	05/01/2017	42.75	2.22, 5.81#	3.11, 11.52@	N.A
2.	Jash Dealmark Limited	5.40	40	27/03/2017	39.80	N.A	N.A	N.A

# 30th Closing Day is not a Working Day So next Working Day is Considered i.e 06<sup>th</sup> February, 2017

© 90<sup>th</sup> Closing Day is Considered i.e 12<sup>th</sup> April, 2017

**Summary statement of Disclosure:**

Financial Year	Total no. of IP Os	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 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016-17 @	2	10.52	N.A	N.A	2	N.A	N.A	1	N.A	N.A	N.A	N.A	N.A	N.A

@ Veeram Ornaments Ltd was listed on 05<sup>th</sup> January, 2017.

@ Jash Dealmark Ltd was listed on 27<sup>th</sup> March, 2017.

