



**7NR Retail Limited**  
CIN U52320GJ2012PLC073076

Our Company was originally incorporated on December 21, 2012, as “7NR Retail Private Limited” as a private limited company under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra and Nagar Havelili. Thereafter, our Company was converted into a public limited Company and accordingly the name of our Company was changed to “7NR Retail Limited” pursuant to a special resolution passed by our Shareholders at the EGM held on March 11, 2017. A fresh certificate of incorporation consequent upon conversion to public limited company was issued on March 22, 2017 by Registrar of Companies, Ahmedabad, Gujarat. For further details of our Company, please refer to the chapter titled “History and Certain Corporate Matters” on page 73 of this Draft Prospectus.

**Registered Office:** B-207, Titanium City Centre, Nr. Sachin Tower, Anand Nagar Road, Satellite, Ahmedabad -380 015 Gujarat.

**Tel:** +91-079-48901492; **Website:** [www.7nrretailtd.in](http://www.7nrretailtd.in);

**Contact Person:** Ms. Shaili Mehta, Company Secretary and Compliance Officer; **E-mail:** [cs@7nrretailtd.in](mailto:cs@7nrretailtd.in)

**PROMOTERS:** Mr. PINAL KANCHANLAL SHAH, MRS. RIDDHI PINAL SHAH, MRS NUTANBEN JAYKISHAN PATEL

**PUBLIC ISSUE OF 18,96,000 EQUITY SHARES OF FACE VALUE OF RS. 10.00 EACH OF 7NR RETAIL LIMITED (“OUR COMPANY” OR “THE ISSUER”) FOR CASH AT A PRICE OF RS. 27.00 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. 17.00 PER EQUITY SHARE) (“ISSUE PRICE”) AGGREGATING TO RS. 511.92 LAKHS (“THE ISSUE”). OF THE ISSUE, 96,000 EQUITY SHARES AGGREGATING TO RS.25.92 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER (“MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 18,00,000 EQUITY SHARES OF FACE VALUE OF RS. 10.00 EACH AT AN ISSUE PRICE OF RS.27.00 PER EQUITY SHARE AGGREGATING TO RS.486.00 LAKHS IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 27.15 % AND 25.78%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER “TERMS OF THE ISSUE” ON PAGE 149 OF THIS DRAFT PROSPECTUS.**

**THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 (THE “SEBI (ICDR) REGULATIONS”), AS AMENDED. IN TERMS OF RULE 19(2)(b)(i) OF THE SECURITIES CONTRACTS REGULATION RULES, 1957, AS AMENDED, THIS IS AN ISSUE FOR AT LEAST 25% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 43(4) OF THE SEBI (ICDR) REGULATIONS, AS AMENDED. FOR FURTHER DETAILS, PLEASE REFER “ISSUE PROCEDURE” ON PAGE 156 OF THIS DRAFT PROSPECTUS.**

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount (“ASBA”) process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention is invited to “Issue Procedure” on page 156 of this Draft Prospectus.

**THE FACE VALUE OF THE EQUITY SHARES IS RS. 10.00 EACH AND THE ISSUE PRICE OF RS. 27.00 IS 2.7 TIMES OF THE FACE VALUE**

**RISKS IN RELATION TO FIRST ISSUE**

This being the first public issue of the Issuer, there has been no formal market for our Equity Shares. The face value of the Equity Shares of our Company is Rs.10.00 and the Issue price of Rs. 27.00 per Equity Share is 2.7 times of the face value. The Issue Price (as determined by our Company in consultation with the Lead Manager, as stated under “Basis for Issue Price” on page 52 of this Draft Prospectus) should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares 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 Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Prospectus. Specific attention of the investors is invited to the section “Risk Factors” on page 11 of this Draft Prospectus.

**ISSUER'S ABSOLUTE RESPONSIBILITY**

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

**LISTING**

The Equity Shares offered through this Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited. In terms of the Chapter XB of the SEBI (ICDR) Regulations, as amended, from time to time, our Company has received an approval letter dated [•] from BSE Limited (“BSE”) for using its name in this Draft Prospectus for listing of our shares on the SME Platform of BSE Limited. For the purpose of this Issue, the designated Stock Exchange will be the BSE.

**LEAD MANAGER TO THE ISSUE**



**GUINNESS CORPORATE ADVISORS PRIVATE LIMITED**

18 Deshapriya Park Road, Kolkata - 700 026,

West Bengal, India

**Tel:** +91 – 33 – 3001 5555

**Fax:** +91 – 33 – 3001 5531

**Email:** [gcapl@guinnessgroup.net](mailto:gcapl@guinnessgroup.net)

**Website:** [www.guinnessgroup.net](http://www.guinnessgroup.net)

**Contact Person:** Ms. Alka Mishra / Ms. Nimisha Joshi

**SEBI Registration No.:** INM 000011930

**REGISTRAR TO THE ISSUE**



**CAMEO CORPORATE SERVICES LIMITED**

Submaramanian Building,

1 Club House Road, Chennai-600 002.

**Tel :** +91 44 2846 0390/1989

**Fax :** +91 44 2846 0129

**Email:** [cameo@cameoindia.com](mailto:cameo@cameoindia.com)

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

**Contact Person:** Mr. R. D. Ramasamy

**SEBI Registration No:** INR000003753

**ISSUE PROGRAMME**

**ISSUE OPENS ON:**

**ISSUE CLOSES ON:**

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## SECTION I - GENERAL

### DEFINITIONS AND ABBREVIATIONS

#### DEFINITIONS

TERMS	DESCRIPTION
“7NR Retail Limited”, “7NR”, “We” or “us” or “our Company” “the Company”	Unless the context otherwise requires, refers to 7NR Retail Limited, a Company incorporated under the Companies Act, 1956 having Registered Office at B-207, Titanium City Centre, Nr. Sachin Tower, Anand Nagar Road, Satellite, Ahmedabad - 380015 Gujarat, India
“you”, “your” or “yours”	Prospective Investors in this Issue

#### CONVENTIONAL/GENERAL TERMS

TERMS	DESCRIPTION
AOA / Articles / Articles of Association	Articles of Association of 7NR Retail Limited, as amended from time to time
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Regulation 18 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015
Banker to the Company	Central Bank of India
Board of Directors/the Board/our Board/Director(s)	The Board of Directors of 7NR Retail Limited, including all duly constituted committees thereof
BSE	BSE Limited (the Designated Stock Exchange)
CIN	Corporate Identification Number
Companies Act / Act	The Companies Act, 1956 and Companies Act, 2013, to the extent amended and applicable.
Demographic Details	The demographic details of the Applicants such as their address, PAN, occupation and bank account details
Depositories Act	The Depositories Act, 1996 as amended from time to time
Depositories	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)
DIN	Directors Identification Number
Equity Shares / Shares	Equity Shares of our Company of face value of Rs. 10 each unless otherwise specified in the context thereof
Key Managerial Personnel / Key Managerial Employees	Key managerial personnel of our Company in terms of the SEBI Regulations and the Companies Act, 2013, as described in the section titled “ <i>Our Management</i> ” on page 76 of this Draft Prospectus.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of 7NR Retail Limited, as amended
Non Resident	A person resident outside India, as defined under FEMA Regulations
Non-Resident Indian/ NRI	A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulations, as amended
Overseas Corporate Body / OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000. <b>OCBs are not allowed to invest in this Issue.</b>
Peer Review Auditor	M/s. Loonia & Associates, Chartered Accountants, the Peer Review Auditor of our Company
Person or Persons	Any Individual, Sole Proprietorship, Unincorporated Association, Unincorporated Organization, Body Corporate, Corporation, Company, Partnership Firm, Limited Liability Partnership, Joint Venture, or Trust or Any Other Entity or Organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Promoters	Promoters of the Company being Mr. Pinal Kanchanal Shah, Mrs. Riddhi Pinal Shah

TERMS	DESCRIPTION
	and Mrs Nutanben Jaykishan Patel
Promoter Group Companies /Group Companies / Group Enterprises	Unless the context otherwise specifies, refers to those entities mentioned in the section titled “Our Promoters and Promoter Group” and “Group Companies / Entities” on page 87 and 91 of this Draft Prospectus.
Registered office of our Company	B-207, Titanium City Centre, Nr. Sachin Tower, Anand Nagar Road, Satellite, Ahmedabad -380015 Gujarat, India
RoC	Registrar of Companies, Ahmedabad
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act.
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI Regulation/ SEBI (ICDR) Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations 2015as amended from time to time
SEBI LODR Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SME Platform of BSE/Stock Exchange	The SME platform of BSE for listing of equity shares offered under Chapter X-B of the SEBI (ICDR) Regulations
Statutory Auditor / Auditors	M/s. Loonia & Associates, Chartered Accountants the statutory auditors of our Company
SWOT	Analysis of strengths, weaknesses, opportunities and threats

#### ISSUE RELATED TERMS

TERMS	DESCRIPTION
Allotment/Allot	Unless the context otherwise requires, Transfer of the Equity Shares pursuant to the Issue
Allottee	The successful applicant to whom the Equity Shares are being / have been allotted
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus
Application Form	The form in terms of which the applicant shall apply for the Equity Shares of the Company
Application Supported by Blocked Amount (ASBA)	Means an application for subscribing to an Issue containing an authorization to block the application money in a bank account
ASBA Account	Account maintained with SCSBs which will be blocked by such SCSBs to the extent of the appropriate application amount of the ASBA applicant, as specified in the ASBA Application Form
ASBA Applicant(s)	Prospective investors in this Issue, who apply through the ASBA process. Pursuant to SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the potential Investors i.e. QIBs and Non-Institutional and Retail participating in this Issue are required to mandatorily use the ASBA facility to submit their applications.
Basis of Allotment	The basis on which Equity Shares will be allotted to the Investors under the Issue and which is described in “Issue Procedure–Basis of Allotment” on page 166 of this Draft Prospectus
Broker Centre	Broker Centre notified by the Stock Exchanges, where applicants can submit the Application Forms to a Registered Broker. The details of such Broker Centres along with the names and contact details of the Registered Brokers are available on the website of the Stock Exchanges
Broker to the Issue	All recognized members of the stock exchange would be eligible to act as the Broker to the Issue
Business Day	Any day on which commercial banks are open for the business
Category I FPI	FPIs who are registered as Category I Foreign Portfolio Investors under SEBI FPI

TERMS	DESCRIPTION
	Regulations
Category II FPI	FPIs who are registered as Category II Foreign Portfolio Investors under SEBI FPI Regulations
Category III FPI	FPIs who are registered as Category III Foreign Portfolio Investors under SEBI FPI Regulations
CAN / Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Compliance Officer	The Company Secretary of our Company, Ms. Shaili Mehta
Collection Centres	Centres at which the designated intermediaries shall accept the ASBA forms, i.e. Designated Branches for SCSBs, Broker Centres for Registered Brokers, Designated RTA locations for RTAs and designated CDP locations for CDPs
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure applications at the designated CDP locations in terms of circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate Applications by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time
Depository Participant / DP	A Depository Participant as defined under the Depositories Act, 1996
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Application Form used by ASBA Applicant and a list of which is available on <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>
Designated Date	The date on which funds are transferred from the Escrow Account(s) to the Public Issue Account or the Refund Account, as appropriate, and the amounts blocked by the SCSBs are transferred from the bank accounts of the ASBA Applicant to the Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to the Allottees
Designated Market Maker	Guiness Securities Limited having Registered office at 216, 2 <sup>nd</sup> Floor, P.J. Towers, Dalal Street, Mumbai- 400 001, Mumbai, Maharashtra and Corporate office at Guiness House, 18, Deshapriya Park Road, Kolkata-700 026, West Bengal, India
Designated Stock Exchange	BSE Limited
Draft Prospectus	The Draft Prospectus dated May 02, 2017 filed with the BSE Limited
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened demat accounts with SEBI registered qualified depository participants
Issue/Issue size/ initial public issue/Initial Public Offer/Initial Public Offering/IPO	Public Issue of 18,96,000 Equity Shares of Rs. 10/- each of 7NR Retail Limited for cash at a price of Rs. 27/- per share aggregating to Rs. 511.92 Lakhs
Issue Closing date	The date on which Issue closes for subscription
Issue Opening date	The date on which issue opens for subscription
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective applicants may submit their application
Issue Price	The price at which the Equity Shares are being issued by our Company under this Draft Prospectus being Rs. 27/-
Lead Manager/LM	Lead Manager to the Issue being Guiness Corporate Advisors Private Limited
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the SME Platform of BSE.
Market Maker	Member Brokers of BSE who are specifically registered as Market Makers with the BSE SME Platform. In our case, Guiness Securities Limited is the sole Market Maker.
Market Maker Reservation Portion	The Reserved portion of 96,000 Equity shares of Rs. 10/- each at Rs. 27/- per Equity Share aggregating to Rs. 25.92 Lacs for Designated Market Maker in the Public Issue of 7NR Retail Limited

TERMS	DESCRIPTION
Market Making Agreement	The agreement entered between our Company, Market Maker and Lead Manager dated April 19, 2017
Mutual Funds	A mutual Fund registered with SEBI under SEBI (Mutual Funds) Regulations, 1996
Memorandum of Understanding	The arrangement entered into on April 19, 2017 between our Company, and Lead Manager pursuant to which certain arrangements are agreed in relation to the Issue
Net Issue	The Net Issue (excluding the Market Maker Reservation Portion) of 18,00,000 Equity Shares of Rs.10/- each at Rs. 27/- per Equity Share aggregating to Rs. 486.00 Lacs by 7NR Retail Limited
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India
Non-Institutional Investors / Applicant	All Applicants that are not Qualified Institutional Buyers or Retail Individual Investors, who apply for the Equity Shares of a value of more than Rs. 200,000.
Prospectus	The Prospectus, filed with the RoC containing, inter alia, the Issue opening and closing dates and other information.
Public Issue Account/ Issue Account	Account opened with Bankers to the Issue for the purpose of transfer of monies from the Escrow Account on or after the Issue Opening Date
Qualified Institutional Buyers or QIBs	Public financial institutions as defined in Section 2(72) of the Companies Act, 2013, Foreign Portfolio Investor other than Category III Foreign Portfolio Investor, AIFs, VCFs, FVCIs, Mutual Funds, multilateral and bilateral financial institutions, scheduled commercial banks, state industrial development corporations, insurance companies registered with the IRDA, provident funds and pension funds with a minimum corpus of Rs. 250 million, insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, Government of India, eligible for Bidding and does not include FVCIs and multilateral and bilateral institutions.
Registrar/Registrar to the Issue	Registrar to the Issue being Cameo Corporate Services Limited
Retail Individual Investor(s)	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
Self-Certified Syndicate Banks or SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account in accordance with the SEBI Regulations and a list of which is available on <a href="http://www.sebi.gov.in/pmd/scsb.pdf">www.sebi.gov.in/pmd/scsb.pdf</a> or at such other website as may be prescribed by SEBI from time to time.
Underwriter	Guinness Corporate Advisors Private Limited
Underwriting Agreement	The Agreement among the Underwriter and our Company dated April 19, 2017
Working Days	All trading days of Stock Exchanges excluding Sundays and Bank Holidays in accordance with SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

## COMPANY/INDUSTRY RELATED TERMS/TECHNICAL TERMS

TERMS	DESCRIPTION
ABP	Annual Business Plan
B2B	Business to Business
CRM	Customer Relation Management
GDP	Gross Domestic Product
IDSA	India Direct Selling Association
NCMC	National Common Mobility Card

## ABBREVIATIONS

TERMS	DESCRIPTION
AGM	Annual General Meeting
AIF	Alternative Investment Fund
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
A. Y.	Assessment Year
B. A	Bachelor of Arts



TERMS	DESCRIPTION
B.Com	Bachelor of Commerce
BG/LC	Bank Guarantee / Letter of Credit
CAGR	Compounded Annual Growth Rate
C. A	Chartered Accountant
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
C. S.	Company Secretary
DP	Depository Participant
ECS	Electronic Clearing System
EGM / EOGM	Extra Ordinary General Meeting
EPS	Earning Per Equity Share
ESOP	Employee Stock Option Plan
EMD	Earnest Money Deposit
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investments
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the regulations issued there under.
FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India.
Fls	Financial Institutions
FIPB	Foreign Investment Promotion Board, Department of Economic Affairs, Ministry of Finance, Government of India.
FPIs	Foreign Portfolio Investor means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board Of India (Foreign intermediary in terms of the provisions of the SEBI Act,1992 regulation 4 and has been registered under Chapter II of Securities And Exchange Board Of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act,1992
FY / Fiscal	Financial Year
FVCI	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GOI/ Government	Government of India
H.P.	Himachal Pradesh
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
INR / Rs./ Rupees	Indian Rupees, the legal currency of the Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
IFRS	International Financial Reporting Standards
ISIN	International Securities Identification Number
M. A	Master of Arts
M.B.A	Master of Business Administration
M. Com	Master of Commerce
NAV	Net Asset Value
No.	Number
NR	Non Resident
NSDL	National Securities Depository Limited
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number

TERMS	DESCRIPTION
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
ROC/Registrar of Companies	The Registrar of Companies
RONW	Return on Net Worth
RTA	Registrar and Transfer Agent
Sec	Section
SME	Small And Medium Enterprises
USD/ \$/ US\$	The United States Dollar, the legal currency of the United States of America
VCF	Venture Capital Fund



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

### **FINANCIAL DATA**

Unless stated otherwise, the financial data in this Draft Prospectus is extracted from the financial statements of our Company for the fiscal years 2013, 2014, 2015 2016 and 2017 and the restated financial statements of our Company for the fiscal years 2013, 2014, 2015 2016 and 2017 prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2009, as stated in the report of our Auditors and the SEBI Regulations and set out in the section titled “*Financial Information*” on page 96 of this Draft Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI Regulations. Our fiscal years commence on April 1 and end on March 31. In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points.

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

### **CURRENCY OF PRESENTATION**

All references to "Rupees" or "Rs.", "₹" or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "\$", "US\$", "USD", "U.S.\$" or "U.S. Dollar(s)" are to United States Dollars, if any, the official currency of the United States of America. This Draft Prospectus contains translations of certain U.S. Dollar and other currency amounts into Indian Rupees (and certain Indian Rupee amounts into U.S. Dollars and other currency amounts). These have been presented solely to comply with the requirements of the SEBI Regulations. These translations should not be construed as a representation that such Indian Rupee or U.S. Dollar or other amounts could have been, or could be, converted into Indian Rupees, at any particular rate, or at all.

In this Draft Prospectus, throughout all figures have been expressed in Lacs, except as otherwise stated. The word "Lacs", "Lac", "Lakhs" or "Lakh" means "One hundred thousand".

Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operation" and elsewhere in this Draft Prospectus, unless otherwise indicated, have been calculated based on our restated financial statement prepared in accordance with Indian GAAP.

### **INDUSTRY & MARKET DATA**

Unless otherwise stated, Industry & Market data used throughout this Draft Prospectus has been obtained from internal Company reports and Industry publications and the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Draft Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

The extent to which the market and industry data used in this Draft Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data.

### **DEFINITIONS**

For definitions, please see the chapter titled “*Definitions and Abbreviations*” beginning on page 2 of this Draft Prospectus. In the section titled “*Main Provisions of the Articles of Association*” beginning on page 199 of this Draft Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

### **INDUSTRY & MARKET DATA**

Unless otherwise stated, Industry & Market data used throughout this Draft Prospectus has been obtained from internal Company reports and Industry publications and the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured.

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Although we believe that industry data used in this Draft Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

The extent to which the market and industry data used in this Draft Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

## **FORWARD LOOKING STATEMENTS**

Our Company has included statements in this Draft Prospectus, that contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "shall", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will continue", "will pursue" and similar expressions or variations of such expressions that are "forward-looking statements". However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding our Company objectives, plans or goals, expected financial condition and results of operations, business, plans and prospects are also forward-looking statements.

These forward-looking statements include statements as to business strategy, revenue and profitability, planned projects and other matters discussed in this Draft Prospectus regarding matters that are not historical fact. These forward-looking statements contained in this Draft Prospectus (whether made by us or any third party) involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

All forward-looking statements are subject to risks, uncertainties and assumptions 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 expectations include, among others General economic conditions, political conditions, regulatory changes pertaining to the relevant industry scenario in India, technological changes, our exposure to market risks which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, etc. Further, the other important factors that could cause actual results to differ materially from expectations are as follows:

- Our ability to successfully implement our strategy, our growth and expansion, technological changes.
- Our exposure to market risks that have an impact on our business activities or investments.
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and Globally.
- Changes in foreign exchange rates or other rates or prices;
- Our failure to keep pace with rapid changes in the industry;
- Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.
- Changes in the value of the Rupee and other currencies.
- The occurrence of natural disasters or calamities.
- Changes in political conditions in India.
- The outcome of legal or regulatory proceedings that we are or might become involved in;
- Our ability to compete effectively, particularly in new markets and businesses;
- Our dependence on our Key Management Personnel and Promoter;
- Other factors beyond our control; and
- Our ability to manage risks that arise from these factors.

For further discussion of factors that could cause Company's actual results to differ, see the section titled "*Risk Factors*" on page 11 of this Draft Prospectus. By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Our Company, the Lead Manager, and their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company, and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange.

## **SECTION II - RISK FACTORS**

*An Investment in equity involves higher degree of risks. Prospective investors should carefully consider the risks described below, in addition to the other information contained in this Draft Prospectus before making any investment decision relating to the Equity Shares. The occurrence of any of the following events could have a material adverse effect on the business, results of operation, financial condition and prospects and cause the market price of the Equity Shares to decline and you may lose all or part of your investment.*

*Prior to making an investment decision, prospective investors should carefully consider all of the information contained in this Draft Prospectus, including the sections titled "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the "Financial Information" included in this Draft Prospectus beginning on pages 61, 117 & 96 respectively. The occurrence of any of the following events could have a material adverse effect on our business, results of operation, financial condition and prospects and cause the market price of the Equity Shares to fall significantly.*

*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 implications of any of the risks mentioned herein.*

### **Materiality**

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

- *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 have material impact in the future.*

*The risk factors are as envisaged by the management. Wherever possible, the financial impact of the risk factors has been quantified.*


### **1. We have in the last 12 months, issued Equity Shares at a price that is lower than the Issue Price.**

In the last 12 months preceding the date of this Draft Prospectus, our Company has issued Equity Shares at a price that is lower than the Issue Price, as set forth below:-

<b>Date of allotment</b>	<b>No. of Equity Shares</b>	<b>Face value (Rs.)</b>	<b>Issue price (Rs.)</b>	<b>Consideration</b>	<b>Nature of allotment</b>	<b>Name of Allottees</b>
21/02/2017	22,50,000	10	12	Cash	Preferential Allotment	Pinal Kanchanlal Shah, Riddhi Pinal Shah, Pinal Kanchanlal Shah H.U.F, Chandrika Kanchanlal Shah, Nutanben Jaykishan Patel, Jaykishan Shantibhai Patel, Jaykishan Shantibhai Patel H.U.F

For further details regarding such allotments, please refer chapter titled "Capital Structure" on page 35 of this Draft Prospectus.

### **2. Logo of our Company is not registered under Trademark authorities. We are unable to assure that the future viability or value of any of our intellectual property or that the steps taken by us to protect the proprietary rights of our Company will be adequate.**

Our Company has made application for registration of our logo  under trademark authorities, which is under process of registration. The registration for the said trademark in our name is important to retain our brand equity. If our application for registration is not accepted or if the oppositions filed against our trademark application if any, are successful, we may lose the statutory protection available to us under the Trade Marks Act, 1999 for such

trademark. Further, we cannot assure that our pending application would be granted registration or if granted registration, will not be invalidated or circumvented. We are unable to assure that the future viability or value of any of our intellectual property or that the steps taken by us to protect the proprietary rights of our Company will be adequate. For further details please refer to chapter titled ‘Government and Other Approvals’ on page 133 of this Draft Prospectus.

**3. *Our Company does not own the premises of our Registered Office.***

Our Registered Office is situated at B-207, Titanium City Centre, Nr. Sachin Tower, Anand Nagar Road, Satellite, Ahmedabad -380015 Gujarat is on rented premises and is not owned by us. As per the rent agreements, any breach of the terms / non renewal of the license agreement may require us to vacate the said premises which may cause disruption in our corporate affairs and business and impede our effective operations and thus adversely affect our profitability. For more information, please refer to chapter titled “Our Business—Properties” on page 64 of this draft Prospectus.

**4. *Our retail business depends significantly on the market recognition of Gini & Jony brand, and any disability to maintain or enhance the brand recognition, our business, financial condition, results of operations and prospects may be materially and adversely affected.***

Our retail business comprises of branded goods manufactured by other companies. We are operating our retail business on franchise basis from Gini & Jony Limited. The brand Gini & Jony is an ownership of Gini & Jony Limited which is operating in various states in India and our business depends significantly on the market recognition of this brand, hence any damage to the brand, reputation and intellectual property Gini & Jony Limited and/or termination or non-renewal of the agreement with Gini & Jony Limited., may adversely affect our business financial condition, results of operations and prospects.

**5. *A significant portion of our collections are in cash and consequently we face the risk of misappropriation or fraud by our full-time employees or other personnel engaged by us, which may adversely affect our business and profitability.***

A significant portion of our collections from our customers is in cash. Significant cash collections expose us to the risk of fraud, misappropriation or unauthorized transactions by our employees responsible for dealing with such cash collections.

However, we have obtained insurance coverage for cash in safes and in transit, and also undertake measures to detect and prevent any unauthorized transaction, fraud or misappropriation by our representatives and officers. Further, we may be subject to regulatory or other proceedings in connection with any unauthorized transaction, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill. Moreover, we may also be affected by frauds, forgery or misrepresentations by our customers made to our business representatives about their financial condition, information of guarantor, security or other personal information may make collection and recovery difficult.

**6. *Our Promoters play key role in our functioning and we heavily rely on their knowledge and experience in operating our business and therefore, it is critical for our business that our Promoters remain associated with us.***

We benefit from our relationship with our Promoters and our success depends upon the continuing services of our Promoters who have been responsible for the growth of our business and are closely involved in the overall strategy, direction and management of our business. Our Promoters have been actively involved in the day to day operations and management since the incorporation of the Company. Accordingly, our performance is heavily dependent upon the services of our Promoters. If our Promoters are unable or unwilling to continue in their present position, we may not be able to replace them easily or at all.

The loss of their services could impair our ability to implement our strategy, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

**7. *We are dependent on our management team for success whose loss could seriously impair the ability to continue to manage and expand business efficiently.***

Our success largely depends on the continued services and performance of our management and other key personnel. The loss of service of the management team and staff could seriously impair the ability to continue to manage and expand the business efficiently. Further, the loss of any of the senior management or other key

personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability to implement new projects and expand our business.

**8. *Conflict of interest may arise due to common business activities by our Company and our Group entities 7NR INC and Indian Look***

Our Group entities 7NR INC and Indian Look are authorised to carry on business activities similar to our business. As a result conflict of interest may arise in allocating business opportunities between our Company and our Group entities in circumstances where our interests diverge. Although currently our Company and our group entities are not competing with each other there is no assurance that they will not compete with each other for any existing or future business opportunities. Any such present or future conflicts could have material adverse effect on our reputation, business, result of operations and financial condition.

**9. *Our funding requirements and proposed deployment of the issue proceeds are based on management estimates and have not been independently appraised by any bank or financial institution and actual cost may vary compared with the estimated amount.***

Our funding requirements and the proposed deployment of the proceeds of the Issue are based on management estimates, quotations from suppliers and on our current business plan and have not been appraised by bank or financial institution. In view of the competitive and dynamic nature of our business, we may have to revise our expenditure and fund requirements as a result of variations including in the cost structure, changes in estimates and other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirement and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our board. In addition, schedule of implementation as described herein are based on management's current expectations and are subject to change due to various factors some of which may not be in our control. The deployment of the funds towards the objects of the issue is entirely at the discretion of the Board of Directors/Management and is not subject to monitoring by external independent agency. However, the deployment of funds is subject to monitoring by our Audit Committee. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

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

The proposed objects, as detailed in the section titled "Objects of the Issue" are to be largely funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute the expansion process within the given timeframe, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and profitability.

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

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees and to implement systems capable of effectively accommodating our growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It is also possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analysis of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

**12. *Our insurance coverage may not adequately protect us against certain operational hazards and this may have a material adverse effect on our business.***

Our Company has, in the ordinary course of business, availed insurance cover for certain risks. While we believe that the insurance coverage we maintain would reasonably be adequate to cover all normal risks associated with the operation of our business, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. To the extent that we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, or the insurance policy covering such risk is not honoured, our results of operations may be adversely affected. For details of our insurance policies please refer to the section titled "Our Business" on page 61 of this Draft Prospectus.

### 13. Our Group entity has posted negative profits in the past.

One of our Group entities 7NR INC and Indian Look, partnership firms have posted negative profits in the past. The details are as mentioned below:

Particulars	(Rs. In Lakhs)		
	March 31, 2016	March 31, 2015	March 31, 2014
7NR INC	Nil	(0.01)	(0.08)
Indian Look	Nil	(0.08)	(0.04)

### 14. We have entered into certain related party transactions and may continue to do so.

We have entered into related party transactions with our Promoters, its promoter group members/ entities and Directors. While we believe that all such transactions have been conducted on the arms length basis, however it is difficult to ascertain whether more favorable terms would have been achieved had such transactions been entered with unrelated parties. Furthermore, it is likely that we may enter into related party transactions in the future. For details of these transactions, please refer to section titled "Related Party Transactions" at page 94 of this Draft Prospectus.

### 15. We have reported negative cash flows.

The detailed break up of cash flows is summarized in below mentioned table and our Company has reported negative cash flow in certain financial years and which could affect our business and growth:

Particulars	(Rs. In Lakhs)				
	As at 31 <sup>st</sup> March				
	2017	2016	2015	2014	2013
Net Cash Flow from/(used in) Operating Activities	67.20	26.94	80.86	(193.24)	(98.78)
Net Cash Flow from/(used in) Investing Activities	(76.87)	80.08	(3.94)	(101.73)	NIL
Net Cash Flow from/(used in) Financing Activities	267.04	(87.79)	(71.85)	293.78	106.00

If the negative cash flow trend persists in future, our Company may not be able to generate sufficient amounts of cash flow to finance our Company's working capital, make new capital expenditure, pay dividends, repay loans, make new investments or fund other liquidity needs which could have a material adverse effect on our business and results of operations.

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

Our business requires significant amount of working capital. In many cases, significant amount of our working capital is required for purchasing and maintaining of stock of goods. Though, presently we meet our working capital requirements through internal accruals, we may need to incur additional indebtedness in the future to satisfy our working capital needs. All these factors may result in increase in the quantum of our current assets and short-term borrowings. Our inability to obtain and/or maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet our requirement of working capital or pay our debts, could adversely affect our financial condition and results of operations.

### 17. We have not made any alternate arrangements for meeting our working capital requirements mentioned in the "Objects of the Issue" further we have not identified any alternate source of financing the "Objects of the Issue". Any shortfall in raising/meeting the same could adversely affect our growth plans. Operations and financial performance.

As on date we have not made any alternate arrangements for meeting our working capital requirement mentioned in the Objects of the Issue We meet our working capital requirement through internal accruals. Any shortfall in our internal accruals and our inability to raise debt in future would result in non availability to meet the working capital



requirement, which in turn will affect our financial condition and result of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this IPO or any shortfall in the Issue Proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled “*Objects of the Issue*” beginning on page 47 of this Draft Prospectus.

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

Upon completion of this Issue, our Promoters and Promoter Group will continue to own a majority of our Equity Shares. As a result, our Promoters will have the ability to exercise significant influence over all matters requiring shareholders’ approval. Our Promoters will also be in a position to influence any shareholder action or approval requiring a majority vote, except where they may be required by applicable law to abstain from voting. This control could also delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from obtaining control of our Company even if it is in the best interests of our Company. The interests of our Promoters could conflict with the interests of our other equity shareholders, and the Promoters could make decisions that materially and adversely affect your investment in the Equity Shares.

**19. *The Promoters and Directors hold Equity Shares in our Company and are therefore interested in the Company's performance in addition to their remuneration and reimbursement of expenses.***

Certain of our Directors and our Promoters are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. We cannot assure you that our Promoters will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Promoters may take or block actions with respect to our business which may conflict with the best interests of the Company or that of minority shareholders. For details on the interest of our Promoters and Directors of our Company please refer chapter titled “*Our Management*” at page 76 of this Draft Prospectus.

**20. *We do not have a track record for payment of dividend on Equity Shares.***

We have not declared any dividend on our Equity Shares since inception as we had been deliberately pursuing the policy of covering back our profits to fund our expansion plans. The future payment of dividends, if any, would be based on the then available distributable profits and the recommendations of our Board of Directors.

**21. *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 customers. 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.

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

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable. These facts and statistics are included in “*Summary of Industry*” and “*Industry Overview*” on pages 22 and 56 respectively of this 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, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

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

As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the SME Listing Agreement with the BSE Limited, which require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as timely as other listed companies. As a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, for which significant resources and management overview will be required.

**RISKS RELATING TO THE EQUITY SHARES**

**24. *Any future issue of Equity Shares may dilute the shareholding of investors and sales of Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.***

Any future equity issues by us, including in a primary offering, may lead to the dilution of investors' shareholdings in us. Any future equity issuances by us or sales of its Equity Shares by the Promoters may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

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

The amount of our future dividend payments, if any, will depend upon our Company's future earnings, financial condition, cash flows, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. There can be no assurance that our Company will be able to pay dividends.

**26. *The price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Issue Price, or at all.***

Prior to the offer, there has been no public market for our Equity Shares, and an active trading market on the SME Platform of BSE. The Issue Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Issue. The market price of the Equity Shares after the Issue may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the Education Sector, developments relating to India and volatility in the Exchange and securities markets elsewhere in the world. However, the LM will arrange for compulsory market making for a period of 3 years from the date of listing as per the regulations applicable to the SME Platforms under SEBI (ICDR) Regulations, 2009.

**27. *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 terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain any in-principle approval for listing of shares issued. We have only applied to BSE Limited to use its name as the Stock Exchange in this offer document for listing our shares on the SME Platform of BSE. 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.

**28. *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. Guinness Securities Limited is acting 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, changes in the estimates of our

performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue. For further details of the obligations and limitations of Market Makers please refer to the section titled “General Information – Details of the Market Making Arrangement for this Issue” on page 33 of this Draft Prospectus.

**29. *There are restrictions on daily 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.***

Following the Issue, we will be subject to a daily “circuit breaker” imposed by BSE, 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 our circuit breakers will be set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The BSE may 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 will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can 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.

## EXTERNAL RISK FACTORS

**30. *Political, economic and social changes in India could adversely affect our business.***

Our business, and the market price and liquidity of our Company’s shares, may be affected by changes in Government policies, including taxation, social, political, economic or other developments in or affecting India could also adversely affect our business. Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms including significantly relaxing restrictions on the private sector. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares.

**31. *Our business may be adversely affected by competition laws in India and any adverse application or interpretation of the Competition Act could adversely affect our business.***

The Competition Act, 2002, as amended (the “Competition Act”), regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of clients in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise.

The applicability or interpretation of the Competition Act to any merger, amalgamation or acquisition proposed or undertaken by us, or any enforcement proceedings initiated by CCI for alleged violation of provisions of the Competition Act may adversely affect our business, financial condition or results of operation.

**32. *The nationalised 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 of this tax regime may have on our operations.

**33. *Our business is subject to a significant number of tax regimes and changes in legislation governing the rules implementing them or the regulator enforcing them in any one of those jurisdictions could negatively and adversely affect our results of operations.***

The revenues recorded and income earned is taxed on differing bases, including net income actually earned, net income deemed earned and revenue-based tax withholding. The final determination of the tax liabilities involves the interpretation of local tax laws as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Changes in the operating environment, including changes in tax laws, could impact the determination of the tax liabilities of our Company for any year.

**34. *Natural calamities and force majeure events may have an adverse impact on our business.***

Natural disasters may cause significant interruption to our operations, and damage to the environment that could have a material adverse impact on us. The extent and severity of these natural disasters determines their impact on the Indian economy. Prolonged spells of deficient or abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy, which could adversely affect our business and results of operations.

**35. *Our transition to IFRS reporting could have a material adverse effect on our reported results of operations or financial condition.***

Our Company may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, the IFRS announced by the Ministry of Corporate Affairs, Government of India through a press note dated January 22, 2010 (“IFRS Convergence Note”). The Ministry of Corporate Affairs by a press release dated February 25, 2011 has notified that 32 Indian Accounting Standards are to be converged with IFRS. The date of implementation of such converged Indian accounting standards has not yet been determined and will be notified by the Ministry of Corporate Affairs after various tax related issues are resolved. We have not yet determined with certainty what impact the adoption of IFRS will have on our financial reporting. Our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP or our adoption of IFRS may adversely affect our reported results of operations or financial condition. This may have a material adverse effect on the amount of income recognized during that period.

**36. *Restrictions on foreign investment limit our ability to raise debt or capital outside India.***

Indian laws constrain our ability to raise capital outside India through the issuance of equity or convertible debt securities and restrict the ability of non-Indian companies to invest in us. Foreign investment in, or an acquisition of, an Indian company requires approval from the relevant government authorities in India, including the Reserve Board of India and the Foreign Investment Promotion Board.

**37. *Any downgrading of India's debt rating by a domestic or international rating agency could negatively impact our business.***

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or 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 is available. This could have an adverse effect on our financial results and business prospects, ability to obtain financing for capital expenditures and the price of our Equity Shares.

**38. *Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

Terrorist attacks and other acts of violence or war may adversely affect the Indian markets on which our Equity Shares will trade. These acts may result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our Equity Shares.

**39. *Third party statistical and financial data in this Draft Prospectus may be incomplete or unreliable.***

We have not independently verified any of the data from industry publications and other sources referenced in this Draft Prospectus and therefore cannot assure you that they are complete or reliable. Discussions of matters relating to India, its economies or the industries in which we operate in this Draft Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable.

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

A majority of the provisions and rules under the Companies Act, 2013 have 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 provides for, among other things, changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit procedures, corporate social responsibility, specific compliance requirements such as obtaining prior approval from audit committee, board of directors and shareholders for certain related party transactions and the requirements for independent directors, director's liability, class action suits, and the inclusion of women directors on the boards of companies. The Companies Act, 2013 is expected to be complemented by a set of rules that shall set out the procedure for compliance with the substantive provisions of the Companies Act, 2013. In the absence of such rules, it is difficult to predict with any degree of certainty the impact, adverse or otherwise, of the Companies Act, 2013 on the issue, and on the business, prospects and results of operations of the Company.

### Prominent Notes:

1. Public Issue of 18,96,000 Equity Shares of face value of Rs.10 each of 7NR Retail Limited (“the Company” or “the Issuer” or “7NR”) for cash at a price of Rs. 27.00 per Equity Share (including a share premium of Rs. 17.00 per Equity Share) (“Issue Price”) aggregating to Rs. 511.92 Lacs (“the Issue”) of which, 96,000 Equity Shares of face value of Rs. 10/- each 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. Issue of 18,00,000 Equity Shares of Rs. 10.00 each at an Issue price of Rs. 27.00 per equity share is hereinafter referred to as the “net issue”. The Issue and the Net Issue will constitute 27.15% and 25.78%, respectively of the post Issue paid up Equity Share Capital of our company.
2. This Issue is being made for at least 25% of the post issue paid up Equity Share capital of our Company, pursuant to Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957 as amended. This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, since our is a fixed price issue ‘the allocation’ is the net issue to the public category shall be made as follows:
  - a) Minimum fifty percent to retail individual investors; 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 that higher percentage.*

3. The average cost of acquisition of Equity Shares by our Promoters:

Name of the Promoter	No. of Equity Shares held	Average cost of Acquisition (in Rs.)
Mr. Pinal Kanchanlal Shah	10,84,860	10.59
Mrs. Riddhi Pinal Shah	3,91,100	11.64
Mrs. Nutanben Jaykishan Patel	9,13,140	10.70

*Note :The average cost of acquisition of our Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer of the Equity Shares. For more information, please refer to the section titled “Capital Structure” on page 35 of this Draft Prospectus.*

4. Our Net worth as on March 31, 2017 is Rs. 540.39 Lacs as per Restated Financial Statements.
5. The Book Value per share as on March 31, 2017 is Rs. 10.62 as per Restated Financial Statements.
6. 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 this Draft Prospectus.
7. Our Company was originally incorporated on December 21, 2012, as “7NR Retail Private Limited” as a private limited company under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Thereafter, our Company was converted into a public limited Company and accordingly the name of our Company was changed to “7NR Retail Limited” pursuant to a special resolution passed by our Shareholders at the EGM held on March 11, 2017. A fresh certificate of incorporation consequent upon conversion to public limited company was issued on March 22, 2017 by Registrar of Companies, Ahmedabad, Gujarat.
8. In the event of over subscription, allotment shall be made on proportionate basis in consultation with the BSE Limited, the Designated Stock Exchange. For more information, please refer to “Basis of Allotment” on page 166 of this Draft Prospectus. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.



9. Investors are advised to refer to the paragraph on "*Basis for Issue Price*" on page 52 of this Draft Prospectus before making an investment in this Issue.
10. No part of the Issue proceeds will be paid as consideration to Promoters, Promoter Group, Directors, Key Managerial Personnel, associate companies, or Group Companies.
11. Investors may contact the Lead Manager or the Compliance Officer for any complaint/clarifications/information pertaining to the Issue. For contact details of the Lead Manager and the Compliance Officer, refer the front cover page.
12. Other than as stated in the section titled "*Capital Structure*" beginning on page 35 of this Draft Prospectus, our Company has not issued any Equity Shares for consideration other than cash.
13. Except as mentioned in the sections titled "*Capital Structure*" beginning on page 35 of this Draft Prospectus, we have not issued any Equity Shares in the last twelve months.
14. Except as disclosed in the sections titled "*Our Promoters and Promoter Group*" or "*Our Management*" beginning on pages 87 and 76 respectively of this Draft Prospectus, none of our Promoters, our Directors and our Key Managerial Employees have any interest in our Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, member, partner and/or trustee and to the extent of the benefits arising out of such shareholding.
15. Any clarification or information relating to the Issue shall be made available by the LM and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact the LM for any complaints pertaining to the Issue. Investors are free to contact the LM for any clarification or information relating to the Issue who will be obliged to provide the same to the investor.
16. For transactions in Equity Shares of our Company by the Promoters, Promoter Group and Directors of our Company in the last six (6) months, please refer to paragraph under the section titled "*Capital Structure*" on page 35 of this Draft Prospectus.
17. The is no contingent liabilities as on March 31, 2017
18. For details of any hypothecation, mortgage or other encumbrances on the movable and immovable properties of our Company please refer to the section titled "*Financial Information*" on page 96 of this Draft Prospectus.
19. Except as disclosed in the section titled "*Group Companies / Entities*" on page 91, none of our Group Companies have business interest in our Company.
20. For interest of Promoters please refer to the section titled "*Our Promoters and Promoter Group*" beginning on page 87 of this Draft Prospectus.
21. The details of transactions with the Group Companies/ Group Entities and other related party transactions are disclosed as "*Annexure XXII*" of restated financial statement under the section titled "*Financial Information*" beginning on page 91 of this Draft Prospectus



## SECTION III - INTRODUCTION

### SUMMARY OF OUR INDUSTRY

*This is only the summary and does not contain all information that you shall consider before investing in Equity Shares. You should read the entire Draft Prospectus, including the information on “Risk Factors” and related notes on page 11 of this Draft Prospectus before deciding to invest in Equity Shares*

#### The Retail Industry in India

##### Introduction

The Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. It accounts for over 10 per cent of the country’s Gross Domestic Product (GDP) and around 8 per cent of the employment. India is the world’s fifth-largest global destination in the retail space.

##### Market Size

India’s retail market is expected to nearly double to US\$ 1 trillion by 2020 from US\$ 600 billion in 2015, driven by income growth, urbanisation and attitudinal shifts. While the overall retail market is expected to grow at 12 per cent per annum, modern trade would expand twice as fast at 20 per cent per annum and traditional trade at 10 per cent.

India’s Business to Business (B2B) e-commerce market is expected to reach US\$ 700 billion by 2020. Online retail is expected to be at par with the physical stores in the next five years.

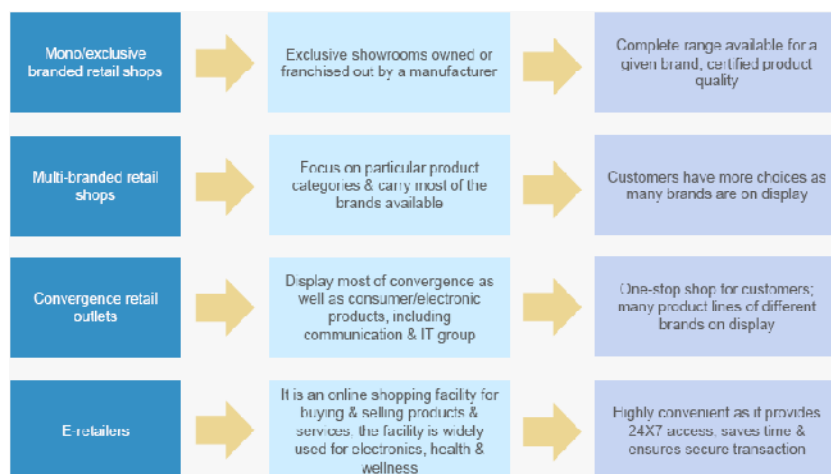
India is expected to become the world’s fastest growing e-commerce market, driven by robust investment in the sector and rapid increase in the number of internet users. Various agencies have high expectations about growth of Indian e-commerce markets. Indian e-commerce sales are expected to reach US\$ 120 billion! by 2020 from US\$ 30 billion in FY2016. Further, India’s e-commerce market is expected to reach US\$ 220 billion in terms of gross merchandise value (GMV) and 530 million shoppers by 2025, led by faster speeds on reliable telecom networks, faster adoption of online services and better variety as well as convenience.

India’s direct selling industry is expected to reach a size of Rs 23,654 crore (US\$ 3.54 billion) by FY2019-20, as per a joint report by India Direct Selling Association (IDSA).

Indian exports of locally made retail and lifestyle products grew at a compound annual growth rate (CAGR) of 10 per cent from 2013 to 2016.

The size of modern retail in India is expected to double to Rs 171,800 crore (US\$ 25.7 billion) from Rs 87,100 crore (US\$ 13 billion) in three years driven by omni-channel retail.

##### Retail Formats in India



## Income Growth to Drive Demand For Organised Retail

- Multiple drivers are leading to strong growth in Indian retail through a consumption boom
- Significant growth in discretionary income & changing lifestyles are among the major growth drivers of Indian Retail
- Easy availability of credit & use of “plastic money” have contributed to a strong & growing consumer culture in India
- Acceptance and usage of e-retailers by consumers are increasing due to convenience & secured financial transactions.
- Expansion in the size of the upper middle class & advertisement has led to greater spending on luxury products & high brand consciousness.

## Opportunities in Indian Retail Industry

### Large number of retail outlets

India is the 5<sup>th</sup> largest preferred retail destination globally. The sector is experiencing exponential growth, with retail development taking place not just in major cities and metros, but also in Tier-II and Tier-III cities.

### Rural markets offer significant growth potential

FMCG players are focusing on rural markets as it accounted for over 40 percent of FMCG consumer base in India in 2016. With increasing investment in infrastructure, retailers, would be able to increase their access to high-growth potential rural markets.

### Private label opportunities

The organized Indian retail industry has begun experiencing an increased level of activity in the private label space. Private label strategy is likely to play a dominant role as its share in the US & the UK markets is 19 percent & 39 percent, respectively, while its share in India is just 6 percent. Growth of online retail is also augmenting the growth of private label brand in India.

### Sourcing Base

India's price competitiveness attracts large retail players to use it as a sourcing base. Global retailers such as Walmart, GAP, Tesco & JC Penney are increasing their sourcing from India and are moving from 3<sup>rd</sup> party buying offices to establishing their own wholly-owned/ wholly managed sourcing & buying offices.

### Luxury retailing

Luxury retailing is gaining importance in India. This includes fragrances, gourmet retailing, accessories & jewellery among many others. The Indian consumer is ready to splurge on luxury items and is increasingly doing so. The Indian luxury market stood at around USD 14.7 billion in 2015 & is estimated to reach 18.3 billion by the end of 2016. This will make India the 12<sup>th</sup> largest luxury retail market in the world by 2020.

### Road Ahead

E-commerce is expanding steadily in the country. Customers have the ever increasing choice of products at the lowest rates. E-commerce is probably creating the biggest revolution in the retail industry, and this trend would continue in the years to come. Retailers should leverage the digital retail channels (e-commerce), which would enable them to spend less money on real estate while reaching out to more customers in tier-2 and tier-3 cities.

Both organised and unorganised retail companies have to work together to ensure better prospects for the overall retail industry, while generating new benefits for their customers. Nevertheless, the long-term outlook for the industry is positive, supported by rising incomes, favourable demographics, entry of foreign players, and increasing urbanisation.

(Source :www. ibef.org)

## SUMMARY OF OUR BUSINESS

Our company was originally incorporated as ‘7NR Retail Private Limited’ on December 21, 2012, under the Companies Act, 1956 engaged in the business of trading of apparels in the wholesale and retail segments. Consequent upon conversion into Public Limited Company the name of our Company was changed to ‘7NR Retail Limited’ on March 22, 2017 and fresh certificate of incorporation was obtained from the Registrar of Companies, Gujarat on March 22, 2017.

Our Company remained Laser focused on getting the basic right by providing distinctive, high quality and trusted products to consumers at right price. Our Company is an Entrepreneur driven and well managed organization focused on meeting our consumer requirements for meeting their fashion and lifestyle requirements by offering products and services with the finest quality.

Salient features of our Products:

- All Sizes Kids Garments
- Attractive Design
- Eco-Friendly Products

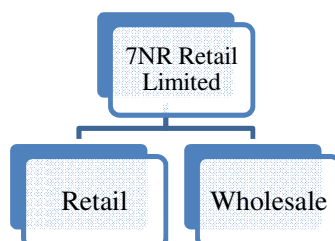
### Achievement of the Company

Our Company has been awarded with the title of ‘Excellence Award of the Year from the brand “Gini & Jony” for constant expansion and overall performance of all the outlets across the Gujarat. We have a huge consumer base in Gujarat.

### Our approach

Customer Oriented	•Our staff helps the customer to satisfy their appropriate needs.
Goal Oriented	•Our Goal is definite and devises strategies to achieve the growth of the Company parallel to consumer needs and satisfaction.
Value Driven Approach	•Our Company offers good value to the Customers keeping the price and quality appropriate for the targetd market.
Coordinated Effort	•Every Activity of our Company is aligned to the Goal as specified and is designed to maximize efficiency and deliver value to the customer.

Our Company deals in two segments are mentioned below:



### Retail Segment

We are engaged in the business of trading in kids garments in the retail segment by retailing of brand “Gini & Jony”. With the increase in brand knowledge in the customers there is huge increase in the retail sale of branded clothes under different brands. Our Company has entered into master franchise agreement dated March 01, 2017 with Gini &Jony Limited for

operating in the state of Gujarat. Currently we operate and manage four retail stores exclusively for kids apparel brand “Gini & Jony” across the state of Gujarat.

### **Wholesale Segment**

We are into wholesale segment due to its cost effectiveness against future inflation. We are engaged into wholesale trade of suiting shirting, other textile products, trading in the kids garments which includes all types of uniforms and other fabrics on wholesale basis. The Company is also planning to wider its presence in the whole sale market by including varied product range.

### **Our Competitive Strength**

- Experienced Management Team
- Success through Partnering / Franchising
- Quality Assurance and Standards
- Leveraging our Market Skills and Relationships
- Strong Marketing Capacity
- Established relationship with various brands, customers and employees

### **Our Strategies**

- *Increase Geographical Presence in Tier I and Tier II cities*
- *Introducing retailing more brands*
- *Continue to develop client relationships and trust*

### **Competition**

We face competition from various other retailers including standalone stores or other branded chain of stores in the organized as well as unorganized sector.

### **Approach to marketing and marketing set-up**

The efficiency of the marketing and sales network is critical success of our Company. Our success lies in the strength of our relationship with our customers. Our core competency lies in our marketing capability and knowledge of the market for readymade garments. We have strong marketing team which is led by our Promoter Mr. Pinal Shah. We take continuous efforts by way of market survey, conducting training programs for marketing staff, designing various discount schemes, conducting various events to target the market. Our company is also benefited by the marketing support of the brands viz. advertisements, posters, images, catalogues etc provided by the companies for which we are retailing.

# SUMMARY OF FINANCIALS

## STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

		(Rs. in Lacs)				
Particulars		As at March 31st				
		2017	2016	2015	2014	2013
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>					
<b>1</b>	<b>Shareholders' funds</b>					
	(a) Share capital	508.70	283.70	283.70	10.00	10.00
	(b) Reserves and surplus	31.69	(50.85)	(20.66)	(15.58)	0.31
	Share application Money pending for allotment	-	-	-	-	-
<b>2</b>	<b>Non-current liabilities</b>					
	(a) Long-term borrowings	-	-	87.59	425.47	96.01
	(b) Deferred tax liabilities (Net)	-	-	-	-	-
	(c) Other Long term liabilities	-	-	-	-	-
<b>3</b>	<b>Current liabilities</b>					
	(a) Short-term borrowings	-	1.25	-	-	-
	(b) Trade payables	77.75	43.97	224.47	231.32	263.93
	(c) Other current liabilities	2.21	-	-	-	-
	(d) Short-term provisions	7.75	13.18	4.85	6.79	1.15
	<b>TOTAL</b>	628.10	291.25	579.95	658.00	371.40
<b>II.</b>	<b>ASSETS</b>					
<b>1</b>	<b>Non-current assets</b>					
	(a) Fixed assets					
	(i) Tangible assets	85.87	5.01	83.26	96.27	-
	(ii) Intangible assets	-	-	-	-	-
	(b) Non-current investments	-	-	-	-	-
	(c) Deferred Tax Assets ( Net)	2.18	2.68	6.40	7.96	-
	(d) Long-term loans and advances	72.09	12.32	222.77	260.78	80.70
	(e) Other non-current assets	-	-	-	-	-
<b>2</b>	<b>Current assets</b>					
	(a) Inventories	142.78	114.48	225.08	257.00	253.92
	(b) Trade receivables	36.14	16.03	20.26	18.30	-
	(c) Cash and cash equivalents	287.71	30.33	11.09	6.03	7.21
	(d) Short-term loans and advances	0.54	107.25	2.64	11.67	29.57
	(e) Other Current Assets	0.79	3.14	8.44	-	-
	<b>TOTAL</b>	628.10	291.25	579.95	658.00	371.40

**STATEMENT OF PROFIT AND LOSS, AS RESTATED**

		(Rs. in Lacs)				
Particulars		As At 31st March				
		2017	2016	2015	2014	2013
<b>I.</b>	<u>Revenue from operations</u>	1,134.02	344.74	512.50	501.84	7.46
<b>II.</b>	<u>Other income</u>	8.42	0.39	-	-	-
<b>III.</b>	<b>Total Revenue (I + II)</b>	<b>1,142.45</b>	<b>345.13</b>	<b>512.50</b>	<b>501.84</b>	<b>7.46</b>
<b>IV.</b>	<b>Expenditure</b>					
	Purchases	1,047.71	151.76	323.50	378.08	259.69
	Changes in inventories of finished goods	(28.30)	110.60	31.91	(3.08)	(253.92)
	Employee benefits expense	43.02	49.04	74.51	63.32	0.88
	<u>Finance costs</u>	1.71	1.45	7.67	35.68	0.01
	Depreciation and amortization expense	4.17	6.07	20.54	13.46	-
	Other expenses	33.45	52.67	57.88	38.24	0.34
	<b>Total expenses</b>	<b>1,101.77</b>	<b>371.60</b>	<b>516.02</b>	<b>525.69</b>	<b>6.99</b>
<b>V.</b>	<b>Profit Before Tax (III - IV)</b>	<b>40.68</b>	<b>(26.47)</b>	<b>(3.52)</b>	<b>(23.85)</b>	<b>0.46</b>
<b>VI</b>	<b>Tax expense:</b>					
	(1) Current tax	2.63	-	-	-	0.15
	(2) Deferred tax	0.51	3.71	1.56	(7.96)	-
		3.15	3.71	1.56	(7.96)	0.15
<b>VII</b>	<b>Profit (Loss) for the period (V- VI)</b>	<b>37.53</b>	<b>(30.18)</b>	<b>(5.08)</b>	<b>(15.89)</b>	<b>0.31</b>
	<b>Less:</b>					
	Transferred to General Reserve	-	-	-	-	-
	<b>Amount to be transferred to P &amp; L A/c</b>	<b>37.53</b>	<b>(30.18)</b>	<b>(5.08)</b>	<b>(15.89)</b>	<b>0.31</b>

# STATEMENT OF CASH FLOW, AS RESTATED

ANNEXURE III - CASH FLOW STATEMENT, AS RESTATED						
(Rs. In Lacs)						
Sr. No.	Particulars	As At 31st March				
		2017	2016	2015	2014	2013
A.	<b>CASH FLOW FROM OPERATING ACTIVITIES:-</b>					
	Net Profit before Tax as per Profit & Loss Account	40.68	(26.47)	(3.52)	(23.85)	0.46
	Adjusted for:					
	Depreciation and Amortisation Expenses	4.17	6.07	20.54	13.46	-
	Interest Income	(8.31)	(7.89)	(3.60)	(7.99)	-
	Finance Costs	1.71	1.45	7.67	35.68	0.01
	<b>Operating Profit before Working Capital Changes</b>	<b>38.25</b>	<b>(26.84)</b>	<b>21.09</b>	<b>17.30</b>	<b>0.48</b>
	Adjusted for:					
	Trade Receivables	(20.11)	4.23	(1.97)	(18.30)	-
	Inventories	(28.30)	110.60	31.91	(3.08)	(253.91)
	Short Term loans & Advances	106.71	(104.61)	0.60	17.89	(29.57)
	Long Term Loans & Advances	(59.77)	210.45	38.01	(180.08)	(80.70)
	Other Current Assets	2.35	5.28	-	-	
	Trade Payable, Other Current Liabilities & Provisions	28.07	(172.18)	(8.79)	(26.97)	264.92
	<b>Cash Generated From Operations</b>	<b>67.20</b>	<b>26.94</b>	<b>80.86</b>	<b>(193.24)</b>	<b>(98.780)</b>
	Taxes Paid	-	-	-	-	-
	<b>Net Cash from Operating Activities</b>	<b>67.20</b>	<b>26.94</b>	<b>80.86</b>	<b>(193.24)</b>	<b>(98.78)</b>
B.	<b>CASH FLOW FROM INVESTING ACTIVITIES:-</b>					
	Purchase of Fixed Assets	(85.18)	(0.12)	(7.54)	(109.72)	-
	Proceeds from sale of Fixed Assets	-	72.31	-	-	-
	Interest Income	8.31	7.89	3.60	7.99	-
	<b>Net Cash ( used in) Investing Activities</b>	<b>(76.87)</b>	<b>80.08</b>	<b>(3.94)</b>	<b>(101.73)</b>	<b>-</b>
C.	<b>CASH FLOW FROM FINANCING ACTIVITIES:-</b>					
	Proceeds from Issue of Share Capital	225.00		273.70	-	10.00
	Proceeds from Long Term Borrowings ( Net)	-	(87.59)	(337.89)		96.01
	Short Term Borrowings ( Net)	(1.25)	1.25	-	329.46	-
	Increase in Securities Premium Account	45.00	-	-	-	-
	Finance Cost	(1.71)	(1.45)	(7.67)	(35.68)	(0.01)
	<b>Net Cash ( used in)/ from Financing Activities</b>	<b>267.04</b>	<b>(87.79)</b>	<b>(71.85)</b>	<b>293.78</b>	<b>106.00</b>
D.	<b>Net Increase in Cash or Cash Equivalents ( A + B +C )</b>	<b>257.38</b>	<b>19.23</b>	<b>5.06</b>	<b>(1.19)</b>	<b>7.21</b>
E.	<b>Opening Balance of Cash and Cash Equivalents</b>	<b>30.33</b>	<b>11.09</b>	<b>6.03</b>	<b>7.21</b>	<b>-</b>
	<b>Closing Balance of Cash and Cash Equivalents ( D + E )</b>	<b>287.71</b>	<b>30.33</b>	<b>11.09</b>	<b>6.03</b>	<b>7.21</b>



## **ISSUE DETAILS IN BRIEF**

### **PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS**

<b>Equity Shares Issued:</b> Public Issue of Equity Shares by our Company consisting:	18,96,000 Equity Shares of Rs. 10/- each (the “Equity Shares”) for cash at a price of Rs. 27/- per Equity Share (including a Share premium of Rs. 17/- per Equity Share) aggregating to Rs. 511.92 Lakhs
<b>Of which:</b>	
<b>Issue Reserved for the Market Maker</b>	96,000 Equity Shares of Rs. 10/- each at a price of Rs. 27/- per Equity Share aggregating Rs. 25.92 Lakhs
<b>Net Issue to the Public</b>	18,00,000 Equity Shares of Rs. 10/- each at a price of Rs. 27/- per Equity Share aggregating Rs.486.00 Lakhs
<b>Equity Shares outstanding prior to the Issue</b>	50,87,000 Equity Shares of face value of Rs. 10/- each
<b>Equity Shares outstanding after the Issue</b>	69,83,000 Equity Shares of face value of Rs. 10/- each
<b>Objects of the Issue</b>	Please refer section titled “ <i>Objects of the Issue</i> ” on page 47 of this Draft Prospectus

*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 see the section titled “Issue Related Information” beginning on page no.149 of this Draft Prospectus.*

*The Issue has been authorized by a resolution of the Board of Directors, dated February 15, 2017 and by a resolution of the shareholders of our Company in the EGM held on March 11, 2017 under section 62(1) (c) of the Companies Act, 2013.*

### **GENERAL INFORMATION**

Our Company was originally incorporated on December 21, 2012, as “7NR Retail Private Limited” as a private limited company under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Thereafter, our Company was converted into a public limited Company and accordingly the name of our Company was changed to “7NR Retail Limited” pursuant to a special resolution passed by our Shareholders at the EGM held on March 11, 2017. A fresh certificate of incorporation consequent upon conversion to public limited company was issued on March 22, 2017 by Registrar of Companies, Ahmedabad, Gujarat.

<b>Registration Number</b>	073076
<b>Company Identification Number</b>	U52320GJ2012PLC073076
<b>Address of Registered Office of our Company</b>	B-207, Titanium City Centre, Nr. Sachin Tower, Anand Nagar Road, Satellite, Ahmedabad -380015 Gujarat. Tel: :+91-079-48901492Email: <a href="mailto:info@7nrretailtd.in">info@7nrretailtd.in</a> Website: <a href="http://www.7nrretailtd.in">www.7nrretailtd.in</a>
<b>Address of Registrar of Companies</b>	ROC Bhavan , Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013 Tel: +91-079-27437597, Fax: +91- 079-27438371 Email: roc.ahmedabad@mca.gov.in
<b>Designated Stock Exchange</b>	BSE Limited
<b>Listing of Shares offered in this Issue</b>	SME Platform of BSE
<b>Contact Person:</b>	Ms. Shaili Samir Mehta Company Secretary & Compliance Officer, B-207, Titanium City Centre, Nr. Sachin Tower, Anand Nagar Road, Satellite, Ahmedabad -380015 Gujarat. Tel: : +91-079-48901492Email: <a href="mailto:cs@7nrretailtd.in">cs@7nrretailtd.in</a> ; investors@7nrretailtd.in Website: <a href="http://www.7nrretailtd.in">www.7nrretailtd.in</a>

### **BOARD OF DIRECTORS**

Our Board of Directors comprise of the following members:

<b>Name</b>	<b>Designation</b>	<b>DIN</b>	<b>Address</b>
Mr. Pinal Kanchanlal Shah	Managing Director	05197449	B-Type B/2,Bimal Flats Nr. Azad Society, Ambawadi Ahmedabad-380015, Gujarat
Mrs. Riddhi Pinal Shah	Non Executive and Non Independent Director	05197462	B-Type B/2,Bimal Flats Nr. Azad Society, Ambawadi Ahmedabad-380015, Gujarat
Mr. Akshay Premraj Mohnot	Non-Executive and Independent Director	06445501	D-104, Sarthak Tower, Ramdevnagar Cross Road, Satellite. Ahmedabad – 380015, Gujarat
Ms. Eity Suryanarayan Pandey	Non-Executive and Independent Director	07115578	D/E-34 Bhagyoday Soc Part-2 Nr Petrol Pump Bethak Naroda Ahmedabad – 382325, Gujarat
Mr. Mayank Agarwal	Non-Executive and Independent Director	07179292	Jhhala ka Chohata Bhinmal District Jalore Rajasthan 343029, Rajasthan

For further details of Management of our Company, please refer to section titled "Our Management" on page 76 of this Draft Prospectus.

Company Secretary & Compliance Officer	Chief Financial Officer
Ms. Shaili Samir Mehta, Company Secretary & Compliance Officer, B-207, Titanium City Centre, Nr. Sachin Tower, Anand Nagar Road, Satellite, Ahmedabad -380015 Gujarat, India Tel: : +91-079-48901492 Email: cs@7nrretailtd.in; investors@7nrretailtd.in	Mr. Kunjal Ashokkumar Panchal, Chief Financial Officer, B-207, Titanium City Centre, Nr. Sachin Tower, Anand Nagar Road, Satellite, Ahmedabad -380015 Gujarat, India Tel: : +91-079-48901492 Email: cfo@7nrretailtd.in

Investors can contact our Compliance Officer in case of any pre-Issue or post-Issue related matters such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account, refund orders etc.

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

Lead Manager of the Issue	Registrar to the Issue
<b>Guinness Corporate Advisors Private Limited</b> Registered Office: 18 Deshapriya Park Road, Kolkata - 700 026, West Bengal, India Tel: +91-33-30015555 Fax: +91-33- 3001 5531 Email: <a href="mailto:gcapl@guinnessgroup.net">gcapl@guinnessgroup.net</a> Website: <a href="http://www.guinessonline.net">www.guinessonline.net</a> Contact Person: Ms. Alka Mishra/Ms. Nimisha Joshi SEBI Registration No.: INM 000011930	<b>Cameo Corporate Services Ltd.</b> Submaramanian Building, 1 Club House Road, Chennai 600 002. Tel No.: +91-44-2846 0390/1989 Fax No.: +91-44-2846 0129 Website: <a href="http://www.cameoindia.com">www.cameoindia.com</a> E-mail ID: <a href="mailto:cameo@cameoindia.com">cameo@cameoindia.com</a> Contact Person: Mr. R. D. Ramasamy SEBI Registration No: INR000003753
Legal Advisor to the Issue	Statutory / Peer Review Auditor of the Company
<b>Mishra and Mishra, Advocates</b> 4 <sup>th</sup> floor, Room no. 89, Temple Chambers 6, Old Post Office Street Kolkata - 700001 Tel No.: +91-33-22315126 Fax No.: +91-33-22315126 Email: <a href="mailto:mail@mishraandmishra.com">mail@mishraandmishra.com</a> Contact Person: Mr. Sailesh Mishra	<b>M/s. Loonia &amp; Associates, Chartered Accountants</b> 218, Ground Floor, New Cloth Market, O/S. Raipur Gate Ahmedabad-380002 Tel: 079-2216502 Email: <a href="mailto:loonias.associates@gmail.com">loonias.associates@gmail.com</a> Contact Person: Mr. Hitesh Loonia Membership Number: 135424 Firm Registration No. 130883W
Banker to the Company	Banker to the Issue
<b>Central Bank of India</b> Gujarat Law Society Campus, Nr. Law Garden, Ellisbridge Ahmedabad- 380006. Tel: +91-079-24621030, 26430536 Email: <a href="mailto:bmahme2261@centralbank.co.in">bmahme2261@centralbank.co.in</a> Website: <a href="http://www.centralbankofindia.co.in">www.centralbankofindia.co.in</a> Contact Person: Mr. S.S.N. Murthy	[●] To be appointed prior to filing of prospectus with RoC

#### Self Certified Syndicate Banks

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (“ASBA”) process are provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>.

The details on designated branches of SCSBs collecting the ASBA Application Form, are provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>.

#### Registered Brokers/ Registrar and Share Transfer Agents/ CDPs

The list of the Registered Brokers, Registrar and Share Transfer Agents, CDPs, eligible to accept ASBA Forms at the respective designated locations, including details such as postal address, telephone number and email address, are provided on the websites of BSE at [http://www.bseindia.com/Markets/PublicIssues/brokercentres\\_new.aspx?expandable=3](http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3) for Registered Brokers and <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> and for Registrar and Share Transfer Agents and CDPs, as updated from time to time.

For further details, please see “Issue Procedure” on page 156 of this Draft Prospectus.

### Credit Rating

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

### Trustees

As the Issue is of Equity Shares, the appointment of Trustees is not mandatory.

### 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.

### Brokers to the Issue

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

### Monitoring Agency

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 500.00 Crores. Since the Issue size is below Rs. 500.00 Crores, our Company has not appointed any monitoring agency for this Issue. However, audit committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

### Debenture Trustees

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

### Appraising Authority

None of the objects of the Issue have been appraised by any appraising agency.

### Inter-Se Allocation of Responsibilities

Since Guinness Corporate Advisors Private Limited is the sole Lead Manager to this Issue, a statement of inter se allocation responsibilities among Lead Manager's is not required.

### Expert Opinion

Our Company has not obtained any expert opinion except the report of the Peer Reviewed Auditor on the Restated Financial Statements and on the Statement of Tax Benefits included in this Draft Prospectus.

### Underwriting Agreement

This Issue is 100% Underwritten. The Underwriting agreement is dated April 19, 2017. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter are several and are subject to certain conditions specified therein. The Underwriter have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Name and Address of the Underwriter	Number of Equity Shares Underwritten	Amount Underwritten (Rs. In Lacs)	% of Total Issue size underwritten
<b>Guinness Corporate Advisors Private Limited</b> <b>Registered office:</b> 18 Deshapriya Park Road, Kolkata - 700 026. <b>Tel: +91 - 33 - 30015555</b>	18,96,000	511.92	100.00%

<b>Fax:</b> +91 - 33 -30015531 <b>Email:</b> <a href="mailto:gcapl@guinnessgroup.net">gcapl@guinnessgroup.net</a> <b>Website:</b> <a href="http://www.guinnessonline.net">www.guinnessonline.net</a> <b>Contact Person:</b> Ms. Alka Mishra /Ms. Nimisha Joshi <b>SEBI Regn. No:</b> INM 000011930			
<b>Total</b>			

*\*Includes 96,000 Equity shares of Rs.27.00 each for cash of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in its own account in order to claim compliance with the requirements of Regulation 106 V (4) of the SEBI (ICDR) Regulations, 2009, as amended.*

In the opinion of the Board of Directors of the Company, considering the resources of the above mentioned underwriter and the potential investment lined up by it for the issue, underwriter is in a position to discharge its underwriting obligation.

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

Our Company has entered into an agreement dated April 19, 2017 with the Lead Manager and Market Maker to fulfill the obligations of Market Making.

<b>Name</b>	<b>Guiness Securities Ltd.</b>
<b>Corporate Office Address</b>	Guiness House, 18, Deshapriya Park Road, Kolkata-700 026
<b>Tel</b>	+91-33-3001 5555
<b>Fax</b>	+91-33-2464 6969
<b>Email</b>	<a href="mailto:kmohanty@guinnessgroup.net">kmohanty@guinnessgroup.net</a>
<b>Website</b>	<a href="http://www.guinnessonline.net">www.guinnessonline.net</a>
<b>Contact Person</b>	Mr. Kuldeep Mohanty
<b>SEBI Regn. No</b>	INB 11146033

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 Rs. 1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Shares of market maker in our Company reaches to 25 %. (Including the 5 % of Equity Shares of the Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above 5% of Issue Size would not be taken in to consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.
4. There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
6. 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.

7. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of BSE and market maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
8. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems or 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 the 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 Exchange will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
11. **Punitive Action in case of default by Market Makers:** BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

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

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

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

### CAPITAL STRUCTURE

The share capital of the Company as at the date of this Draft Prospectus, before and after the Issue, is set forth below:

(Rs. in Lacs, except share data)

S. No.	Particulars	Aggregate value at face value	Aggregate value at Issue Price
<b>A.</b>	<b>Authorized Share Capital</b>		
	70,00,000 Equity Shares of face value of Rs. 10.00 each	700.00	-
<b>B.</b>	<b>Issued, subscribed and paid-up Equity Share Capital before the Issue</b>		
	50,87,000 Equity Shares of face value of Rs. 10.00 each	508.70	-
<b>C.</b>	<b>Present Issue in terms of this Draft Prospectus</b>		
	Issue of 18,96,000 Equity Shares of Rs. 10.00 each at a price of Rs. 27.00 per Equity Share	189.60	511.92
	<b>Which comprises</b>		
	96,000 Equity Shares of Rs. 10.00 each at a price of Rs. 27.00 per Equity Share reserved as Market Maker Portion	9.60	25.92
	Net Issue to Public of 18,00,000 Equity Shares of Rs. 10.00 each at a price of Rs. 27.00 per Equity Share to the Public	180.00	486.00
	<b>Of which</b>		
	9,00,000 Equity Shares of Rs. 10.00 each at a price of Rs. 27.00 per Equity Share will be available for allocation to Retail Individual Investors upto Rs. 2.00 Lacs		
	9,00,000 Equity Shares of Rs. 10.00 each at a price of Rs. 27.00 per Equity Share will be available for allocation to Other than Retail Individual Investors of above Rs. 2.00 Lacs		
<b>D.</b>	<b>Equity capital after the Issue</b>		
	69,83,000 Equity Shares of Rs. 10.00 each	698.30	-
<b>E</b>	<b>Securities Premium Account</b>		
	Before the Issue	45.00	
	After the Issue	367.32	

*The Issue has been authorized by a resolution of the Board of Directors, dated February 15, 2017 and by a resolution of the shareholders of our Company in the EGM held on March 11, 2017 under section 62(1) (c) of the Companies Act, 2013.*

Our Company has no outstanding partly paid-up shares/convertible instruments/warrants as on the date of this Draft Prospectus.

#### **Classes of Shares**

The Company has only one class of Share Capital i.e. Equity Shares of Rs. 10.00/- each.

#### **Changes in the Authorized Share Capital of our Company:**

Sr. No.	Particulars of Change		Date of Meeting	Meeting AGM/EGM
	From	To		
1	1,00,000 Equity shares of Rs.10/- each		Incorporation	-
2	1,00,000 Equity Shares of Rs.10/- each	30,00,000 Equity Shares of Rs 10/- each	01/03/2015	EGM
3	30,00,000 Equity Shares of Rs 10/- each	70,00,000 Equity Shares of Rs 10/- each	14/02/2017	EGM



## Notes Forming Part of Capital Structure

### 1. Equity Share Capital History of our Company

Date of issue/ allotment of Shares	No. of Equity Shares Issued	Face valu e (Rs)	Issue price (Rs)	Consider ation (cash, bonus, considera tion other than cash)	Nature of allotment (Bonus, swap etc.)	Cumulative no. of Equity Shares	Cumulative paid-up share capital (Rs)	Cumulative share premium (Rs)
On incorporation	28,000	10	10	Cash	Subscription to MOA <sup>(i)</sup>	28,000	2,80,000	Nil
31/01/2013	72,000	10	10	Cash	Preferential Allotment <sup>(ii)</sup>	1,00,000	10,00,000	Nil
30/03/2015	27,37,000	10	10	Cash	Conversion of Loan <sup>(iii)</sup>	28,37,000	2,83,70,000	Nil
21/02/2017	22,50,000	10	12	Cash	Preferential Allotment <sup>(iv)</sup>	50,87,000	5,08,70,000	45,00,000

List of Allottees as per allotment details mentioned above:

*(i) The Subscribers to the Memorandum of Association of our Company are:*

S.N	Names of Allottees	Number of Equity Shares
1	Riddhi Pinal Shah	5,000
2	Pinal Kanchanlal Shah	5,000
3	Pragnesh Hasmukhlal Shah	5,000
4	Dineshbhai Somabhai Patel	3,000
5	Nutanben Jaykishan Patel	10,000
	<b>Total</b>	<b>28,000</b>

*(ii) Preferential Allotment of 72,000 Equity Shares:*

S.N	Names of Allottees	Number of Equity Shares
1	Aakash Thakor	2,000
2	Chandrika Shah	2,000
3	Chirag D Patel	2,400
4	Chirag Patel H.U.F	2,400
5	Darshit Modi	1,000
6	Dhara Nirav Patel	3,000
7	Dhwani M Shah	2,500
8	Dineshbhai S Patel H.U.F	2,400
9	Hansa D Patel	2,400
10	Jay Kishan Patel	10,000
11	Kaushal U Shah	5,000
12	Kumar Nirzar Patel	3,000
13	Milly C Patel	2,400
14	Mittal Shah	2,500
15	Monaben R Shah	2,500
16	Naishal P Shah	1,000
17	Payal Kunjal Panchal	3,000

18	Rakesh P Shah	2,500
19	Indian Look	2,000
20	Shila C Shah	5,000
21	Smitaben Shah	1,000
22	Snehal K Shah	5,000
23	Upendra K Fadia	3,000
24	Urmil Mukesh Shah	2,000
25	Usha U Fadia	2,000
	<b>Total</b>	<b>72,000</b>

**(iii) Allotment of 27,37,000 Equity Shares:**

S.N	Names of Allottees	Number of Equity Shares
1	Devangi Sunil Kumar Shah	40,000
2	Dhawani Mittal Shah	1,17,300
3	Mittal Chandreshbhai Shah	1,30,500
4	Shila Chandreshbhai Shah	2,95,400
5	Chirag Dineshbhai Patel	24,800
6	Chirag Dineshbhai Patel H.U.F	1,68,600
7	Dineshbhai Somabhai Patel H.U.F	1,43,000
8	Dineshbhai Somabhai Patel	46,200
9	Hansaben Dineshbhai Patel	1,17,700
10	Milly Chirag Patel	19,600
11	Jaykishan Shantibhai Patel	4,42,800
12	Dhara Nirav Patel	1,28,300
13	Kumar Nirzar Patel	51,800
14	Chandrika Kanchanlal Shah	46,000
15	Snehal Kaushalbhai Shah	4,66,000
16	Darshit Nileshbhai Modi	79,500
17	Mona Rakesh Shah	83,100
18	Naishal Pragneshbhai Shah	95,400
19	Pragneshbhai Hasmukhlal Shah	34,400
20	Rakesh Popatlal Shah	98,900
21	Smita Pragneshbhai Shah	1,07,700
	<b>Total</b>	<b>27,37,000</b>

**(iv) Preferential Allotment of 22,50,000 Equity Shares:**

S.N	Names of Allottees	Number of Equity Shares
1	Pinal Kanchanlal Shah	3,21,500
2	Riddhi Pinal Shah	3,21,500
3	Pinal Kanchanlal Shah H.U.F	3,21,500
4	Chandrika Kanchanlal Shah	3,21,000
5	Nutanben Jaykishan Patel	3,21,500
6	Jaykishan Shantibhai Patel	3,21,500
7	Jaykishan Shantibhai Patel H.U.F	3,21,500
	<b>Total</b>	<b>22,50,000</b>

2. We have not issued any Equity Shares for consideration other than cash.

3. We have not revalued our assets since inception and have not issued any equity share (including bonus shares) by capitalizing any revaluation reserves.

4. Our Company has not issued any Equity Shares in terms of any scheme approved under Sections 391- 394 of the Companies Act, 1956 or Section 230- 233 of the Companies Act, 2013.

#### 5. Issue of Shares in the last two preceding years

For details of issue of Equity Shares by our Company in the last two preceding years, please refer table titled “*Equity Share Capital History of our Company*” under section Capital Structure on page 36 of this Draft Prospectus.

6. We have not issued any equity shares at a price below issue price within last one (1) year from the date of this Draft Prospectus except as set forth in the table below:

Date of allotment	No. of Equity Shares	Face value (Rs.)	Issue price (Rs.)	Consideration	Nature of allotment	Benefits Accrued to our Company
21.02.2017	22,50,000	10	12	Cash	Preferential Allotment to Promoters and Others	Expansion of Capital

#### 7. Capital Build up of our Promoters:

Set forth below are the details of the build-up of our Promoters:-

Date of Allotment /Transfer	Consideration	Nature of Issue	No of Equity Shares	Face Value	Issue Price/ Acquisition on Price/ Transfer Price	Source of funds	Percentage of Pre-Issue paid up capital	Percentage of Post issue paid up capital
<b>A. Mr. Pinal Kanchanlal Shah</b>								
20.12.2012	Cash	Subscription to MOA	5,000	10	10	Owned		
18.07.2015	Cash	Acquisition of shares by Transfer	55,000	10	10	Owned		
29.08.2015	Cash	Acquisition of shares by Transfer	1,93,700	10	10	Owned		
23.12.2015	Cash	Acquisition of shares by Transfer	3,000	10	10	Owned		
23.12.2015	Cash	Transfer	(94,900)	10	10	-		
11.04.2016	Cash	Acquisition of shares by Transfer	1,21,300	10	10	Owned		
15.04.2016	Cash	Transfer	(6,880)	10	10	-		
20.04.2016	Cash	Acquisition of shares by Transfer	4,87,140	10	10	Owned		
21.02.2017	Cash	Allotment	3,21,500	10	12	Owned		
<b>Total (A)</b>			<b>10,84,860</b>				<b>21.33</b>	<b>15.53</b>
<b>B. Mrs. Riddhi Pinal Shah</b>								
20.12.2012	Cash	Subscription to MOA	5,000	10	10	Owned		
05.03.2013	Cash	Acquisition by way of Transfer	2,000	10	10	Owned		

28.05.2015	Cash	Acquisition by way of Transfer	1,75,100	10	10	Owned		
18.07.2015	Cash	Acquisition by way of Transfer	1,09,200	10	10	Owned		
23.12.2015	Cash	Transfer	(1,03,700)	10	10	-		
05.01.2016	Cash	Transfer	(20,600)	10	10	-		
17.03.2016	Cash	Transfer	(60,000)	10	10	-		
17.03.2016	Cash	Transfer	(32,300)	10	10	-		
11.04.2016	Cash	Acquisition by way of Transfer	10,000	10	10	-		
15.04.2016	Cash	Transfer	(15,100)	10	10	-		
21.02.2017	Cash	Allotment	3,21,500	10	12	Owned		
<b>Total (B)</b>			<b>3,91,100</b>				<b>7.69</b>	<b>5.60</b>
<b>C. Mrs. Nutanben Jaykishan Patel</b>								
20.12.2012	Cash	Subscription to MOA	10,000	10	10	Owned		
10.04.2014	Cash	Acquisition by way of Transfer	1,000	10	10	Owned		
29.08.2015	Cash	Acquisition by way of Transfer	3,62,000	10	10	Owned		
29.08.2015	Cash	Transfer	(32,000)	10	10	-		
20.04.2016	Cash	Acquisition by way of Transfer	2,50,640	10	10	Owned		
21.02.2017	Cash	Allotment	3,21,500	10	12	Owned		
<b>Total (C)</b>			<b>9,13,140</b>				<b>17.95</b>	<b>13.08</b>
<b>Total A + B + C</b>			<b>23,89,100</b>				<b>46.96</b>	<b>34.21</b>

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. As on the date of this Draft Prospectus, none of the Equity Shares held by our Promoters are pledged.

#### 8. Details of Promoters' contribution locked in for three years:

Pursuant to Regulation 32 and 36 of SEBI (ICDR) Regulations aggregate of 20% of the post issue capital held by our Promoters shall be considered as promoters' contribution ("Promoters Contribution") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoters Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

Our Promoters have granted consent to include such number of Equity Shares held by them as may constitute 20% of the post issue Equity Share capital of our Company as Promoters Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution from the date of filing of this Draft Prospectus until the commencement of the lock-in period specified above.

Date of Allotment /Transfer	Consideration	Nature of Issue	No of Equity Shares	Face Value	Issue Price/Acquisition Price/ Transfer Prices	Per-centage Pre-Issue paid up capital	Per-centage Post-issue paid up capital
<b>A. Mr. Pinal Kanchanlal Shah</b>							
20.12.2012	Cash	Subscription to MOA	5,000	10	10		
18.07.2015	Cash	Acquisition of shares by Transfer	55,000	10	10		
29.08.2015	Cash	Acquisition of shares by Transfer	91,920	10	10		

23.12.2015	Cash	Acquisition of shares by Transfer	3,000	10	10		
11.04.2016	Cash	Acquisition of shares by Transfer	1, 21,300	10	10		
20.04.2016	Cash	Acquisition of shares by Transfer	4,73,140	10	10		
<b>Total (A)</b>			<b>7,49,360</b>			<b>14.73</b>	<b>10.73</b>
<b>B. Mrs. Riddhi Pinal Shah</b>							
20.12.2012	Cash	Subscription to MOA	5,000	10	10		
05.03.2013	Cash	Acquisition by way of Transfer	2,000	10	10		
28.05.2015	Cash	Acquisition by way of Transfer	18,500	10	10		
18.07.2015	Cash	Acquisition by way of Transfer	34,100	10	10		
11.04.2016	Cash	Acquisition by way of Transfer	10,000	10	10		
<b>Total (B)</b>			<b>69,600</b>			<b>1.36</b>	<b>1.00</b>
<b>C. Mrs. Nutanben Jaykishan Patel</b>							
20.12.2012	Cash	Subscription to MOA	10,000	10	10		
10.04.2014	Cash	Acquisition by way of Transfer	1,000	10	10		
29.08.2015	Cash	Acquisition by way of Transfer	3,30,000	10	10		
20.04.2016	Cash	Acquisition by way of Transfer	2,50,640	10	10		
<b>Total (C)</b>			<b>5,91,640</b>			<b>11.63</b>	<b>8.47</b>
<b>Total(A+B+C)</b>			<b>14,10,600</b>			<b>27.72</b>	<b>20.20</b>

For details on the build-up of the Equity Share capital held by our Promoters, refer “*Build-up of our Promoter’s shareholding in our Company*” on page 38 of this Draft Prospectus.

Our Promoters have given consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-issue Equity Share capital of our Company as Minimum Promoters’ Contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Minimum Promoters’ Contribution from the date of filing this Draft Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Minimum Promoters’ Contribution under Regulation 33 of the SEBI ICDR Regulations. In this regard we confirm that:

(i) the Equity Shares offered as part of the Minimum Promoters’ Contribution do not comprise Equity Shares acquired during the three years preceding the date of this Draft Prospectus for consideration other than cash and where revaluation of assets or capitalisation of intangible assets was involved or bonus issue out of revaluations reserves or unrealised profits or against Equity Shares that are otherwise ineligible for computation of Minimum Promoters’ Contribution;

(ii) the Minimum Promoters' Contribution does not include Equity Shares acquired during the one year preceding the date of this Draft Prospectus at a price lower than the price at which the Equity Shares are being offered to the public in the Issue

(iii) our Company has not been formed by conversion of a partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Prospectus pursuant to conversion of a partnership firm; and

(iv) the Equity Shares held by our Promoters and offered as part of the Minimum Promoters' Contribution are not subject to any pledge.

## 9. Details of Equity Shares locked-in for one year

Except the Minimum Promoters' Contribution which shall be locked in for three years as above, the entire pre-Issue Equity Share capital will be locked-in for a period of one year from the date of Allotment in the Issue in terms of Regulation 36 and 37 of the SEBI (ICDR) Regulations, as amended.

## 10. Other requirements in respect of lock-in

Pursuant to Regulation 39 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters and locked in for one year may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan. Equity Shares locked-in as Minimum Promoters' Contribution for three years can be pledged only if in addition to fulfilling the aforementioned requirements, such loans have been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue, which is not applicable in the context of this Issue.

In terms of Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by our Promoters may be transferred between our Promoters and Promoter Group or a new promoter or persons in control of our Company, subject to continuation of lock-in applicable to the transferee for the remaining period and compliance with provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "Takeover Regulations").

Further, in terms of Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by persons other than our Promoters prior to the Issue and locked-in for a period of one year, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in applicable to the transferee and compliance with the provisions of the Takeover Regulations.

## 11. Shareholding of Promoter and Promoter Group

Sr. No.	Name of the Shareholder	Pre-Issue		Post-Issue		Shares pledged or otherwise encumbered		
		No. of Equity Shares	As a % of Issued Share Capital	No. of Equity Shares	As a % of Issued Share Capital	Number	As a percentage	As a % of grand Total
<b>A</b>	<b>Promoters</b>							
1	Pinal Kanchanlal Shah	10,84,860	21.33	10,84,860	15.54	-	-	-
2	Riddhi Pinal Shah	3,91,100	17.95	3,91,100	13.08	-	-	-
3	Nutanben Jaykishan Patel	9,13,140	7.69	9,13,140	5.60			
	<b>Total (A)</b>	<b>23,89,100</b>	<b>46.97</b>	<b>23,89,100</b>	<b>34.21</b>			
<b>B</b>	<b>Promoter Group, Relatives and other Associates</b>							
1	Pinal K Shah HUF	321,500	6.32	321,500	4.60	-	-	-
2	JayKishan Shantibhai Patel	321,500	6.32	321,500	4.60			
3	Snehal Kaushalbhai Shah	352,800	6.94	352,800	5.05			
4	Chandrika Kanchanlal Shah	336,300	6.61	336,300	4.82			
5	Jaykishan Patel HUF	321,500	6.32	321,500	4.60			
	<b>Total (B)</b>	<b>16,53,600</b>	<b>32.51</b>	<b>16,53,600</b>	<b>23.68</b>	-	-	-
	<b>TOTAL (A+B)</b>	<b>40,42,700</b>	<b>79.48</b>	<b>40,42,700</b>	<b>57.89</b>	-	-	-

12. There are no transactions in our Equity Shares during the past six months, which have been purchased/(sold) by our Promoters, their relatives and associates, persons in Promoter Group (as defined under sub-clause (zb) sub regulation (1) Regulation 2 of the SEBI (ICDR) Regulations, 2009) or the Directors of the Company except as set forth below:-

Sr. No.	Name of Shareholder	Promoter/ Promoter Group/ Director	Date of Allotment/ Acquisitio n/transfer	Number Equity Shares	Acquisitio n Price/ Transfer Price per Share	Nature of transaction
1	Pinal Kanchanlal Shah	Promoter	21.02.2017	3,21,500	12.00	Preferential Allotment
2	Riddhi Pinal Shah	Promoter	21.02.2017	3,21,500	12.00	Preferential Allotment
3	Nutanben Jaykishan Patel	Promoter	21.02.2017	3,21,500	12.00	Preferential Allotment
4	Pinal K Shah HUF	Promoter Group	21.02.2017	3,21,500	12.00	Preferential Allotment
5	JayKishan Shantibhai Patel	Promoter Group	21.02.2017	3,21,500	12.00	Preferential Allotment
6	Chandrika Kanchanlal Shah	Promoter Group	21.02.2017	3,21,000	12.00	Preferential Allotment
7	Jaykishan Patel HUF	Promoter Group	21.02.2017	3,21,500	12.00	Preferential Allotment



### 13. Shareholding pattern of our Company:

Cate gory code	Category of shareholders	No. of sha reh olde rs	No. of fully paid up equity shares held	No. of Par tly pai d-up equi ty sha res held	No. of shar es unde rlyin g Depo sitor y Rece ipts	Total nos. shares held	Shareh olding as a % of total no. of shares (calcula ted as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlyin g Outstandi ng convertibl e securities (including Warrants)	Shareholdi ng , as % assuming full conversion of convertible securities ( as a % of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in demater ialised form*
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)= (VII)+(X)	(XII)		(XIII)		(XIV)
							As a % of (A+B+ C2)	No of Voting Rights			Total as a % of (A+B+ C)		As a % of (A+B+C2)	No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Equity	Prefer ence	Total								
(A)	Promoter & Promoter Group	8	4042700	-	-	4042700	79.47	4042700	-	4042700	79.47	-	79.47	-	-	-	-	-
(B)	Public	11	1044300	-	-	1044300	20.53	1044300	-	1044300	20.53	-	20.53	-	-	-	-	-
(C )	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	19	5087000	-	-	5087000	100.00	5087000	-	5087000	100.00	-	100.00	-	-	-	-	-

\*The Equity Shares of Promoter and Promoter Group are in process of dematerialization

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

Name of the Promoter	No. of Equity Shares held	Average cost of Acquisition (in Rs.)
Mr. Pinal Kanchanlal Shah	10,84,860	10.59
Mrs. Riddhi Pinal Shah	3,91,100	11.64
Mrs. Nutanben Jaykishan Patel	9,13,140	10.70

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

Name of the Director	No. of Equity Shares held	Pre-Issue percentage of Shareholding
Mr. Pinal Kanchanlal Shah	10,84,860	21.33
Mrs. Riddhi Pinal Shah	3,91,100	7.69

#### 16. Equity Shares held by top ten shareholders

(a) Our top ten shareholders and the number of Equity Shares held by them as on date of this Draft Prospectus are as under:

Sr. No.	Name of shareholder	No. of shares	Percentage age of pre-Issue capital
1	Mr. Pinal Kanchanlal Shah	10,84,860	21.33
2	Mrs. Nutanben Jaykishan Patel	9,13,140	17.95
3	Mrs. Riddhi Pinal Shah	3,91,100	7.69
4	Snehal Kaushalbhair Shah	3,52,800	6.93
5	Chandrika Kanchanlal Shah	3,36,300	6.61
6	Pinal K Shah HUF	3,21,500	6.32
7	JayKishan Shantibhai Patel	3,21,500	6.32
8	Jaykishan Patel HUF	3,21,500	6.32
9	Nitesh P Pavaskar	1,60,000	3.14
10	Vijay Vasita	1,30,000	2.56
	<b>Total</b>	<b>43,32,700</b>	<b>85.17</b>

(b) Our top ten shareholders and the number of Equity Shares held by them ten days prior to the date of this Draft Prospectus are as under:

Sr. No.	Name of shareholder	No. of Equity Shares	Percentage age of pre-Issue capital
1	Mr. Pinal Kanchanlal Shah	10,84,860	21.33
2	Mrs. Nutanben Jaykishan Patel	9,13,140	17.95
3	Mrs. Riddhi Pinal Shah	3,91,100	7.69
4	Snehal Kaushalbhair Shah	3,52,800	6.93
5	Chandrika Kanchanlal Shah	3,36,300	6.61

6	Pinal K Shah HUF	3,21,500	6.32
7	JayKishan Shantibhai Patel	3,21,500	6.32
8	Jaykishan Patel HUF	3,21,500	6.32
9	Nitesh P Pavaskar	1,60,000	3.14
10	Vijay Vasita	1,30,000	2.56
<b>Total</b>		<b>43,32,700</b>	<b>85.17</b>

(c) Our top ten shareholders and the number of Equity Shares held by them two years prior to date of this Draft Prospectus are as under:

<b>Sr. No.</b>	<b>Name of shareholder</b>	<b>No. of Equity Shares</b>	<b>Percentage age of pre-Issue capital</b>
1	Snehal Kaushalbhair Shah	4,71,000	9.26
2	Jaykishan Shantibhai Patel	4,53,800	8.92
3	Shila Chandreshbhai Shah	3,02,400	5.94
4	Chirag Dineshbhai HUF	1,71,000	3.36
5	Dineshbhai Somabhai Patel HUF	1,45,400	2.86
6	Mittal Chandreshbhai Shah	1,33,000	2.61
7	Dhara Nirav Patel	1,31,300	2.58
8	Dhwani Mittal Shah	1,22,800	2.41
9	Hansaben Dineshbhai Patel	1,20,100	2.36
10	Smita Pragneshbhai Shah	1,08,700	2.14
<b>Total</b>		<b>21,59,500</b>	<b>42.45</b>

17. There is no "Buyback", "Standby", or similar arrangement for the purchase of Equity Shares by our Company/Promoters/Directors/Lead Manager for purchase of Equity Shares offered through this Draft Prospectus.

18. Our Company has not raised any bridge loans against the proceeds of this Issue.

19. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in paragraph on "Basis of Allotment" on page 166 of this Draft Prospectus.

20. The Equity Shares Issued pursuant to this Issue shall be made fully paid-up.

21. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalizing the basis of allotment to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in the Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased to ensure that 20% of the post issue paid-up capital is locked-in.

22. 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 Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

23. As on date of filing of this Draft Prospectus, the entire issued share capital of our Company is fully paid-up.

- 24.** On the date of filing this Draft Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.
- 25.** Our Company has not issued any Equity Shares out of revaluation reserves or any bonus shares have been issued out of capitalization of revaluation reserves.
- 26.** Lead Manager to the Issue viz. Guinness Corporate Advisors Private Limited does not hold any Equity Shares of our Company.
- 27.** Our Company has not revalued its assets since incorporation.
- 28.** Our Company has not made any public issue since incorporation.
- 29.** There will be only one denomination of the Equity Shares of our Company unless otherwise permitted by law, our Company shall comply with such disclosure, and accounting norms as may be specified by SEBI from time to time.
- 30.** There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Draft Prospectus until the Equity Shares to be issued pursuant to the Issue have been listed.
- 31.** Except as disclosed in this Draft Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six (6) months from the date of opening of the Issue, by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or a later date, it may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
- 32.** At any given point of time, there shall be only one denomination for a class of Equity Shares of our Company.
- 33.** Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed Issue. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
- 34.** No Equity Shares have been allotted in terms of any scheme approved under Sections 230-232 of the Companies Act, 2013 and no Equity Shares have been allotted in terms of any scheme approved under Sections 391-394 of the Companies Act, 1956 in the last five years.
- 35.** An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
- 36.** No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.
- 37.** Our Company has Nineteen (19) members as on the date of filing of this Draft Prospectus.

## **OBJECTS OF THE ISSUE**

**The objects of the issue are primarily to raise the capital for following business and operational requirements of the Company:**

1. To meet the working capital requirement
2. To meet the expenses of the Issue

The objects of the Issue are also to achieve the benefits of listing on the SME platform of BSE Ltd. We believe that listing will enhance the visibility and corporate image of our Company.

The main objects of our Memorandum of Association permit us to undertake our existing activities and the activities for which the funds are being raised by us, through the present issue. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

**The Details of the proceeds of the Issue are as mentioned below:**

<b>(Rs. in Lacs)</b>	
<b>Particulars</b>	<b>Amount</b>
To meet the working capital requirement	481.92
To meet the Issue Expenses	30.00
<b>Total</b>	<b>511.92</b>

**Means of Finance**

<b>(Rs. in Lacs)</b>	
<b>Particulars</b>	<b>Amount</b>
Proceeds from the Issue	511.92
Internal Accruals	Nil
<b>Total</b>	<b>511.92</b>

We propose to meet the entire requirement of funds for the Objects from the Proceeds of the issue. Accordingly, the requirement under Regulation 4(2)(g) of the SEBI ICDR Regulations of firm arrangements of finance through verifiable means for the 75% of the stated means of finance is not applicable.

In the event of a shortfall in raising the requisite capital from the proceeds of the issue, towards meeting the Objects of the issue, the extent of the shortfall will be met by internal accruals and/or from fresh debt.

The fund requirements, the deployment of funds and the intended use of the Issue Proceeds as described herein are based on our current business plan, management estimates, and have not been appraised by any bank, financial institution or any other external agency. Given the dynamic nature of our business, we may have to revise our business plan from time to time and consequently our funding requirements and deployment on account of variety of factors such as our financial condition, business and strategy, including external factors such as market conditions, competitive environment, costs of commodities and interest/ exchange rate fluctuations which may not be within the control of our management.

In case of variations in the actual utilisation of funds earmarked for the purposes set forth above or shortfall in the Issue Proceeds, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue.

## **DETAILS OF THE OBJECTS OF THE ISSUE**

### **I. To meet the working capital requirement of the Company**

Our business is working capital intensive. We finance our working capital requirement from our internal accruals. As on 31<sup>st</sup> March, 2017, the Company's working capital was Rs. 91.79 lakhs. Considering the existing and future growth, the total working capital needs of our Company, as assessed based on the internal workings of our

Company is expected to reach Rs. 956.44 Lakhs for FY 2017- 2018. We intend to meet our working capital requirements to the extent of Rs. 481.92 Lakhs from the Proceeds of this Issue and the balance will be met from internal accruals and borrowings at an appropriate time as per the requirement.

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

(Rs. In Lakhs)

Particulars	31.3.2017 Audited	31.3.2018 Estimated
<b>Current Assets</b>		
Inventories	142.80	388.40
Trade receivables	36.10	473.62
Short term Loans and advances	0.54	156.83
<b>Total Current Assets (A) (Excluding Cash and cash equivalents)</b>	<b>179.50</b>	<b>1018.85</b>
<b>Current Liabilities</b>		
Trade Payables	77.75	38.02
Other Current Liabilities	2.21	2.50
Short Term Provisions	7.75	21.89
<b>Total Current Liabilities (B)</b>	<b>87.71</b>	<b>62.41</b>
<b>Net Working Capital (A-B)</b>	<b>91.79</b>	<b>956.44</b>
<i>Sources of working capital</i>		
From Bank Funding	Nil	Nil
From Internal accruals	91.79	474.52
From Issue Proceeds	Nil	481.92

#### Assumptions for working capital requirements

(In Number of Days)

Particulars	Holding level as of 31.3.2016	Holding level as of 31.03.2017	Holding level as of 31.03.2018
<b>Current Assets</b>			
<u>Inventories</u>			
Finished Goods	86.08	50	74
Trade receivables	14.23	12	83
<b>Current Liabilities</b>			
Trade Payables	255.07	27	7

#### Justification of 'Holding Period' levels

Particulars	Justification
<b>Inventories</b>	In FY 2017-18, we have assumed finished goods inventory of around 74 days as compared to 50 days in FY 2016-17 as we aim to expand our retail and trading operations.
<b>Trade Receivables</b>	In FY 2017-18, the trade receivable holding period is estimated to increase by 71 days as compared to FY 2016-17. The increase in Debtors turnover is due to higher margin in sales and credit policy offered by the Company to clients.
<b>Trade Payables</b>	In FY 2017-18, the credit period is expected to be 7 days respectively as compared to 27 days in FY 2016-17 as the company will strive to adhere to stricter credit policy to achieve better and favourable pricing terms and ensure continued relationship with existing suppliers

## II. Issue Expenses

The total estimated issue expenses are Rs. 30.00 Lacs which is 5.86 % of issue size. The details of issue expenses are tabulated below:

(Rs. in Lacs)				
Sr. No.	Particulars	Rs. In Lacs	% of Total Expenses	% of Total Issue Size
1.	Issue management fees including fees selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	23.00	76.66	4.49
2.	Printing & Stationery, Distribution, Postage, etc	2.00	6.67	0.39
3.	Advertisement & Marketing Expenses	2.00	6.67	0.39
4.	Regulatory & other expenses	3.00	10.00	0.59
<b>Total</b>		<b>30.00</b>	<b>100.00</b>	<b>5.86</b>

### Proposed year-wise deployment of funds:

The overall cost of the proposed Project and the proposed year wise break up of deployment of funds are as under:

(Rs. In Lacs)			
Particulars	Already Incurred	FY 2017 – 18	Total
To meet the working capital requirement of the Company	-	481.92	481.92
Issue Expenses	5.51	24.49	30.00
<b>Total</b>	<b>5.51</b>	<b>506.41</b>	<b>511.92</b>

### Details of funds already deployed till date and sources of funds deployed

The funds deployed up to April 15, 2017 pursuant to the object of this issue as certified by the Auditors of our Company, viz. M/s Loonia and Associates, Chartered Accountants pursuant to their certificate dated April 24, 2017 is given below:

(Rs. in Lacs)	
Deployment of Funds	Amount
Issue Expenses	5.51
<b>Total</b>	<b>5.51</b>

(Rs. in Lacs)	
Sources of Funds	Amount
Internal Accruals	5.51
<b>Total</b>	<b>5.51</b>

Note: The amount deployed so far towards “Objects of the Issue” out of internal accruals will be recouped from the proceeds of the Issue.

### Appraisal by appraising agency

None of the objects have been appraised by any bank or financial institution or any other independent third party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on quotations received by us and management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.



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**Bridge financing facilities**

We have currently not raised any bridge loans against the proceeds of the issue. However, depending on our requirement, we might consider raising bridge financing facilities, pending receipt of the proceeds of the issue.

**Shortfall of funds**

Any shortfall in meeting the Objects of the issue will be met by way of internal accruals.

**Interim use of funds**

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the issue proceeds. The issue proceeds of the issue pending utilization for the purposes stated in this section, shall be deposited only in scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the issue proceeds of the issue for any investment in the equity markets.

**Monitoring of utilization of funds**

There is no requirement for a monitoring agency as the Issue size is less than Rs. 50,000 Lacs. Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the issue proceeds. Until such time as any part of the issue proceeds remains unutilized, our Company will disclose the utilization of the issue proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which issue proceeds have been utilized so far, and details of amounts out of the issue proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized issue proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the issue proceeds in a fiscal year, we will utilize such unutilized amount in the next fiscal year.

Further, in accordance with Regulation 32(1)(a) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchange on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the issue proceeds for the objects stated in this Draft Prospectus.

**Variation in Objects**

In accordance with Section 27 of the Companies Act 2013, our Company shall not vary object of the Issue without our Company being authorized to do so by our shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules thereunder. As per the current provisions of the Companies Act, our Promoters or controlling shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner as may be prescribed by SEBI in this regard.

**Other confirmations**

There is no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel and Group Entities, in relation to the utilisation of the proceeds of the Issue. No part of the proceeds of the Issue will be paid by us as consideration to our Promoter, our Directors or key managerial personnel or our Group Entities, except in the normal course of business and in compliance with the applicable laws.

## **BASIC TERMS OF THE ISSUE**

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

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

### **Authority for the Issue**

The present issue has been authorized pursuant to a resolution of our Board dated February 15, 2017 and by Special Resolution passed under Section 62 (1) (c) of the Companies Act, 2013 at the Extra Ordinary General Meeting of our shareholders held on March 11, 2017.

### **Other Details**

<b>Face Value</b>	Equity Share shall have the face value of Rs.10/- each.
<b>Issue Price</b>	Equity Share is being offered at a price of Rs. 27/- each.
<b>Market Lot and Trading Lot</b>	The Market lot and Trading lot for the Equity Share is 4,000 (Four Thousand) and the multiple of 4,000; subject to a minimum allotment of 4,000 Equity Shares to the successful applicants.
<b>Terms of Payment</b>	100% of the issue price of Rs.27/- shall be payable on Application. For more details please refer to " <i>Issue Procedure</i> " to page 156 of this Draft Prospectus.
<b>Ranking of the Equity Shares</b>	The Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividends with the existing Equity Shares of the Company.

### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If the issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the issue, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond fifteen days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under Section 40 of the Companies Act, 2013.

For further details, please refer to section titled "*Terms of the Issue*" beginning on page 149 of this Draft Prospectus.

## **BASIS FOR ISSUE PRICE**

*Investors should read the following basis with the “Risk Factors” beginning on page 11 and the details about the “Our Business” and its “Financial Information” included in this Draft Prospectus on page 61 & 96 respectively to get a more informed view before making any investment decisions.*

### **Qualitative Factors**

Some of the qualitative factors which may form the basis for computing the Issue Price include the following:

1. Experienced Management team
2. Success through partnering / franchising
3. Quality assurance and standards
4. Leveraging our market skills and relationships
5. Strong marketing capacity
6. Established relationship with various brands, customers and employees

### **Quantitative Factors**

1. Information presented in this section is derived from our Company’s restated financial statements prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as set forth below: **Basic Earnings and Diluted Earnings Per Equity Share (EPS) as per Accounting Standard 20**

Period	Basic and Diluted EPS (in Rs.)	Weight
March 31, 2015	(4.73)	1
March 31, 2016	(1.06)	2
March 31, 2017	1.22	3
<b>Weighted Average</b>	<b>(0.53)</b>	

#### **Notes:**

- i. *The Figures disclosed above are based on the restated financial statements of the Company.*
- ii. *The earnings per share has been calculated by dividing the net profit as restated, attributable to equity shareholders by restated weighted average number of Equity Shares outstanding during the year. Restated weighted average number of equity shares has been computed as per AS 20. The face value of each Equity Share is Rs. 10/-*
- iii. *The above ratios should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements.*

### **2. Price / Earnings Ratio (P/E) in relation to the Issue Price of Rs. 27.00**

Particulars	PE Ratio
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2016-17	22.13
P/E ratio based on the Weighted Average EPS, as restated	(50.78)

#### **Industry PE\*:**

Industry P/E –	PE Ratio
Highest	N.A
Lowest	N.A
Average of Highest and Lowest	N.A

*\* We believe that there are no listed Companies engaged solely in our business segment.*

### 3. Return on Net Worth

Period	RONW (%)	Weight
March 31, 2015	(1.93)	1
March 31, 2016	(12.97)	2
March 31, 2017	6.95	3
<b>Weighted Average</b>	<b>(1.17)</b>	

*Note: The RONW has been computed by dividing net profit after tax (as restated), by Networth (as restated)*

### 4. Minimum return on post Issue Net Worth to maintain the Pre-issue EPS for the year ended March 31, 2016 – 16.64%.

### 5. Net Asset Value (NAV) per Equity Share:

S. No.	Particulars	(Rs.)
a)	As on March 31, 2017	10.62
c)	After Issue	15.07
d)	Issue Price	27.00

*Note: NAV has been calculated as restated networth divided by number of Equity Shares at the end of the year*

### 6. Peer Group Comparison of Accounting Ratios:

We are currently engaged in the retail trading of the Garments & textile related products. We believe that currently there are no listed Companies engaged solely in our business segments, hence comparison is not possible.

- The face value of our share is Rs.10/- per share and the Issue Price is of Rs. 27/- per share are 2.7 times of the face value.
- The Company in consultation with the Lead Manager believes that the Issue Price of Rs. 27/- per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the “*Risk Factors*” on page 11 and “*Financial Information*” on page 96 including important profitability and return ratios, as set out in the Auditors’ Report in this Draft Prospectus to have more informed view about the investment proposition.

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**STATEMENT OF POSSIBLE TAX BENEFITS**

To,  
The Board of Directors,  
7NR Retail Limited  
B-207, Titanium City Centre,  
Nr. Sachin Tower,  
Anandnagar Road Satellite,  
Ahmedabad -380 015

Dear Sir

Sub: Statement of Possible Special Tax Benefits Available to the Company and its shareholders prepared in accordance with the requirements under Schedule VIII-Clause (VII) (L) of the SEBI (ICDR) Regulations, 2009, as amended (the "Regulations").

We hereby report that the enclosed annexure prepared by 7NR Retail Limited, states the possible special tax benefits available to 7NR Retail Limited ("the Company") and the shareholders of the Company under the Income Tax Act, 1961 ("Act"), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfil. The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and shareholders do not cover any general tax benefits available to the Company Further, the preparation of enclosed statement and the contents stated therein is the responsibility of the Company's management. We are informed that, this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares ("the Offer") by the Company.

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

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

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein. This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Prospectus/ Prospectus or any other offer related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For, M/s Loonia & Associates**

**Chartered Accountants**

Sd/-

**Hitesh Loonia**

**Proprietor**

**Mem. No 135424**

**Firm Reg. No 130883W**

**Place: Ahmedabad**

**Date: 20.04.2017**

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**ANNEXURE TO THE STATEMENT OF TAX BENEFITS:**

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

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

**A. SPECIAL TAX BENEFITS TO THE COMPANY**

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

**B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER**

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

Note: 1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.

2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law

No assurance is given that the revenue authorities/courts will concur with the views expressed herein.

Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

## SECTION IV - ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

#### The Retail Industry in India

##### Introduction

The Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. It accounts for over 10 per cent of the country's Gross Domestic Product (GDP) and around 8 per cent of the employment. India is the world's fifth-largest global destination in the retail space.

##### Market Size

India's retail market is expected to nearly double to US\$ 1 trillion by 2020 from US\$ 600 billion in 2015, driven by income growth, urbanisation and attitudinal shifts. While the overall retail market is expected to grow at 12 per cent per annum, modern trade would expand twice as fast at 20 per cent per annum and traditional trade at 10 per cent.

India's Business to Business (B2B) e-commerce market is expected to reach US\$ 700 billion by 2020. Online retail is expected to be at par with the physical stores in the next five years.

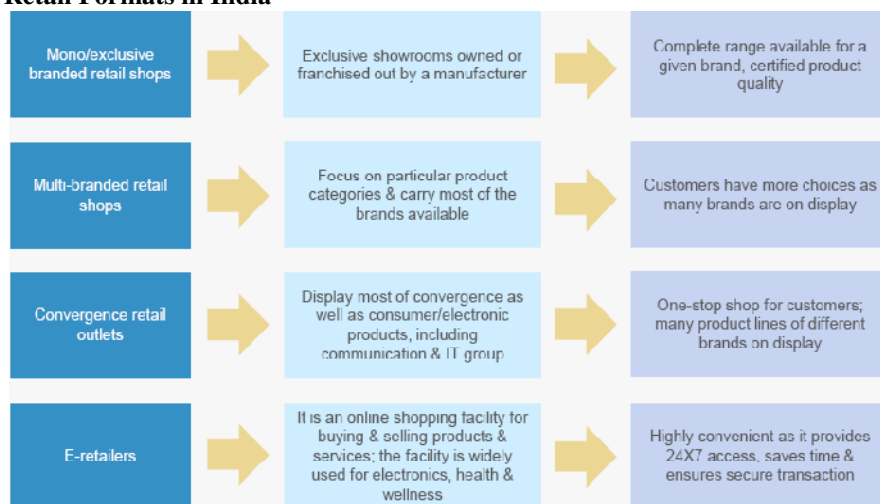
India is expected to become the world's fastest growing e-commerce market, driven by robust investment in the sector and rapid increase in the number of internet users. Various agencies have high expectations about growth of Indian e-commerce markets. Indian e-commerce sales are expected to reach US\$ 120 billion! by 2020 from US\$ 30 billion in FY2016. Further, India's e-commerce market is expected to reach US\$ 220 billion in terms of gross merchandise value (GMV) and 530 million shoppers by 2025, led by faster speeds on reliable telecom networks, faster adoption of online services and better variety as well as convenience.

India's direct selling industry is expected to reach a size of Rs 23,654 crore (US\$ 3.54 billion) by FY2019-20, as per a joint report by India Direct Selling Association (IDSA).

Indian exports of locally made retail and lifestyle products grew at a compound annual growth rate (CAGR) of 10 per cent from 2013 to 2016.

The size of modern retail in India is expected to double to Rs 171,800 crore (US\$ 25.7 billion) from Rs 87,100 crore (US\$ 13 billion) in three years driven by omni-channel retail.

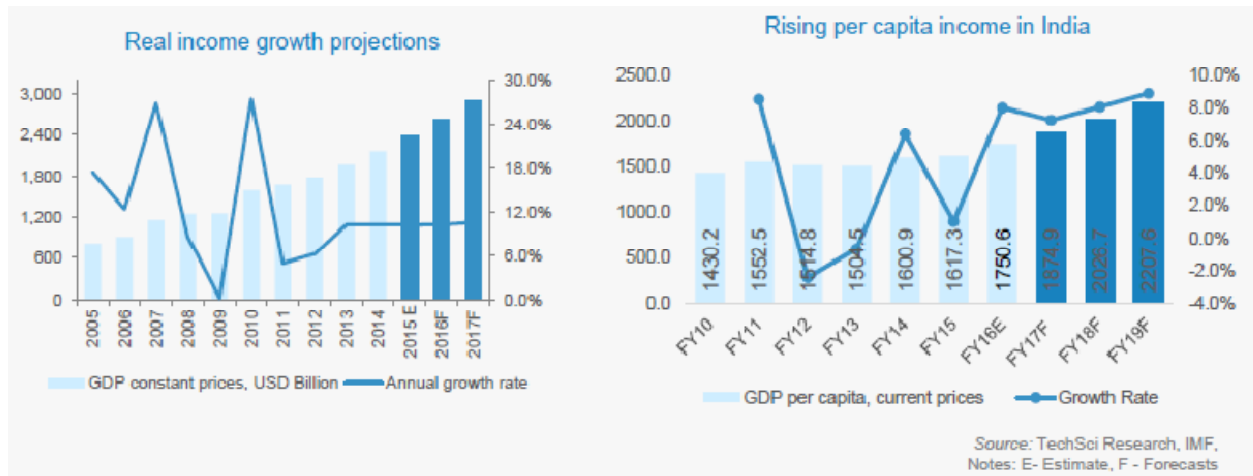
#### Retail Formats in India



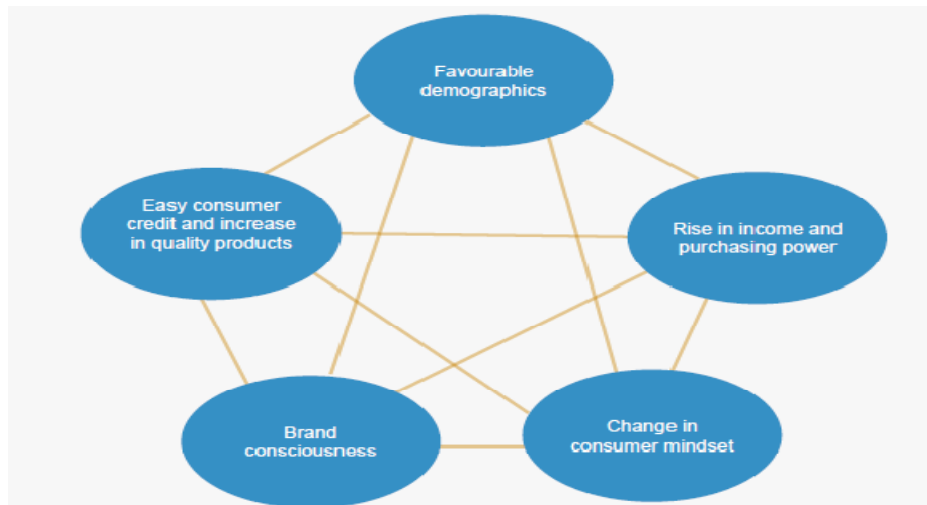


## Income Growth to Drive Demand For Organised Retail

- Multiple drivers are leading to strong growth in Indian retail through a consumption boom
- Significant growth in discretionary income & changing lifestyles are among the major growth drivers of Indian Retail
- Easy availability of credit & use of “plastic money” have contributed to a strong & growing consumer culture in India
- Acceptance and usage of e-retailers by consumers are increasing due to convenience & secured financial transactions.
- Expansion in the size of the upper middle class & advertisement has led to greater spending on luxury products & high brand consciousness.

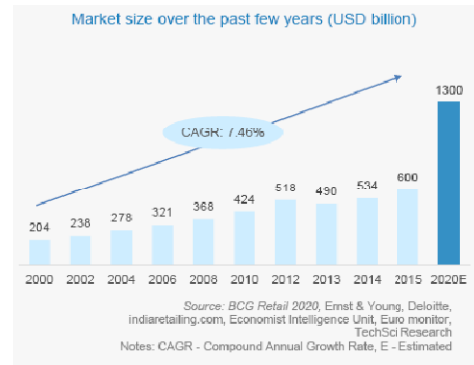


## Growth Drivers for Retail in India



## Strong Growth in the Indian Retail Industry

- The retail sector in India is emerging as one of the largest sector in the Economy.
- The total market size was estimated to be around USD 600 billion in 2015, thereby registering a CAGR of 7.45% since 2000.
- Retail industry is expected to grow to USD 1.3 trillion by 2020, registering growth at a CAGR of 7.46% between 2000-2015.



## Growth Value Proposition

### Demand Factors

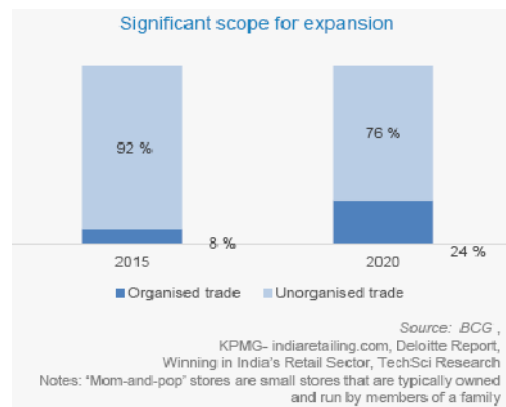
- Higher Brand Consciousness
- Growing aspiration levels and appetite to experiment
- Growing young population and working women
- Rising Incomes and purchasing powers
- Credit availability
- Changing consumer preferences and growing urbanisation

### Supply Factors

- Rapid real estate and infrastructure development
- Emergence of new categories
- Easy availability of credit
- Development of supply chain improving efficiency
- Expansion Plans of existing players
- R&D, innovation and new product development

## Growth for Organised Retail in India

- The Indian Retail market is in its nascent stage; unorganized players accounted for 92 percent of the market during 2015
- There are over 15 million mom and pop stores
- Between FY 15-20, organized retail in India is expected to witness a CAGR of 24.57 percent.
- Organised Retail is expected to account for 24 percent of the overall retail market by 2020.

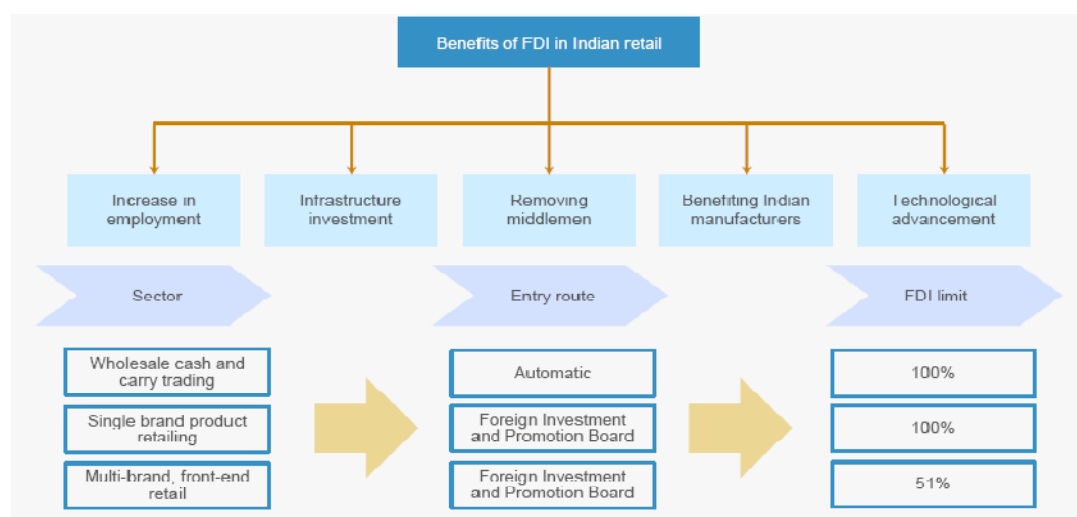


## Government Initiatives

The Government of India has taken various initiatives to improve the retail industry in India.

- Government of India has allowed 100 per cent Foreign Direct Investment (FDI) in online retail of goods and services through the automatic route, thereby providing clarity on the existing businesses of e-commerce companies operating in India.
- The Government of Andhra Pradesh signed pacts worth Rs 1,500 crore (US\$ 222.36 million) in a wide range of sectors including retail and steel and gas with Walmart India, Future Group, Arvind Lifestyle Brands Ltd and Spencer's Retail, during the Partnership Summit in Visakhapatnam, while also unveiling a retail policy aimed to attract retail businesses to invest in the state.
- The Ministry of Urban Development has come out with a Smart National Common Mobility Card (NCMC) model to enable seamless travel by metros and other transport systems across the country, as well as retail purchases.
- IKEA, the world's largest furniture retailer, bought its first piece of land in India in Hyderabad, the joint capital of Telangana and Andhra Pradesh, for building a retail store. IKEA's retail outlets have a standard design and each location entails an investment of around Rs 500–600 crore (US\$ 74–89 million).
- The Government has approved a proposal to scrap the distinctions among different types of overseas investments by shifting to a single composite limit, which means portfolio investment up to 49 per cent will not require government approval nor will it have to comply with sectorial conditions as long as it does not result in a transfer of ownership and/or control of Indian entities to foreigners. As a result, foreign investments are expected to increase, especially in the attractive retail sector.

## Benefits of FDI Indian Retail



## Opportunities in Indian Retail Industry

### Large number of retail outlets

India is the 5<sup>th</sup> largest preferred retail destination globally. The sector is experiencing exponential growth, with retail development taking place not just in major cities and metros, but also in Tier-II and Tier-III cities.

### Rural markets offer significant growth potential

FMCG players are focusing on rural markets as it accounted for over 40 percent of FMCG consumer base in India in 2016. With increasing investment in infrastructure, retailers, would be able to increase their access to high-growth potential rural markets.

### **Private label opportunities**

The organized Indian retail industry has begun experiencing an increased level of activity in the private label space. Private label strategy is likely to play a dominant role as its share in the US & the UK markets is 19 percent & 39 percent, respectively, while its share in India is just 6 percent. Growth of online retail is also augmenting the growth of private label brand in India.

### **Sourcing Base**

India's price competitiveness attracts large retail players to use it as a sourcing base. Global retailers such as Walmart, GAP, Tesco & JC Penney are increasing their sourcing from India and are moving from 3<sup>rd</sup> party buying offices to establishing their own wholly- owned/ wholly managed sourcing & buying offices.

### **Luxury retailing**

Luxury retailing is gaining importance in India. This includes fragrances, gourmet retailing, accessories & jewellery among many others. The Indian consumer is ready to splurge on luxury items and is increasingly doing so. The Indian luxury market stood at around USD 14.7 billion in 2015 & is estimated to reach 18.3 billion by the end of 2016. This will make India the 12<sup>th</sup> largest luxury retail market in the world by 2020.

### **Road Ahead**

E-commerce is expanding steadily in the country. Customers have the ever increasing choice of products at the lowest rates. E-commerce is probably creating the biggest revolution in the retail industry, and this trend would continue in the years to come. Retailers should leverage the digital retail channels (e-commerce), which would enable them to spend less money on real estate while reaching out to more customers in tier-2 and tier-3 cities.

Both organised and unorganised retail companies have to work together to ensure better prospects for the overall retail industry, while generating new benefits for their customers. Nevertheless, the long-term outlook for the industry is positive, supported by rising incomes, favourable demographics, entry of foreign players, and increasing urbanisation.

*(Source :www. ibef.org)*

## OUR BUSINESS

*In this section “our Company” refers to the Company, while “we”, “us” and “our” refers to 7NR Retail Limited. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our restated financial information. This section should be read together with "Risk Factors" on page 11 and "Industry Overview" on page 56 of this Draft Prospectus.*

### Overview

Our company was originally incorporated as ‘7NR Retail Private Limited’ on December 21, 2012, under the Companies Act, 1956 engaged in the business of trading of apparels in the wholesale and retail segments. Consequent upon conversion into Public Limited Company the name of our Company was changed to ‘7NR Retail Limited’ on March 22, 2017 and fresh certificate of incorporation was obtained from the Registrar of Companies, Gujarat on March 22, 2017.

Our Company remained Laser focused on getting the basic right by providing distinctive, high quality and trusted products to consumers at right price. Our Company is an Entrepreneur driven and well managed organization focused on meeting our consumer requirements for meeting their fashion and lifestyle requirements by offering products and services with the finest quality.

Salient features of our Products:

- All Sizes Kids Garments
- Attractive Design
- Eco-Friendly Products

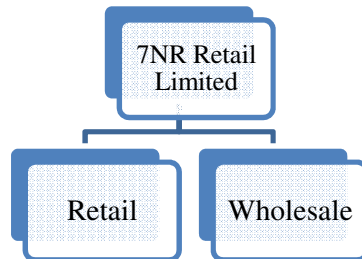
### Achievement of the Company

Our Company has been awarded with the title of ‘Excellence Award of the Year from the brand “Gini & Jony” for constant expansion and overall performance of all the outlets across the Gujarat. We have a huge consumer base in Gujarat.

### Our approach

Customer Oriented	•Our staff helps the customer to satisfy their appropriate needs.
Goal Oriented	•Our Goal is definite and devises strategies to achieve the growth of the Company parallel to consumer needs and satisfaction.
Value Driven Approach	•Our Company offers good value to the Customers keeping the price and quality appropriate for the targetd market.
Coordinated Effort	•Every Activity of our Company is aligned to the Goal as specified and is designed to maximize efficiency and deliver value to the customer.

Our Company deals in two segments are mentioned below:



### ***Retail Segment***

We are engaged in the business of trading in kids garments in the retail segment by retailing of brand “Gini & Jony”. With the increase in brand knowledge in the customers there is huge increase in the retail sale of branded clothes under different brands. Our Company has entered into master franchise agreement dated March 01, 2017 with Gini & Jony Limited for operating in the state of Gujarat. Currently we operate and manage four retail stores exclusively for kids apparel brand “Gini & Jony” across the state of Gujarat.

### ***Wholesale Segment***

We are into wholesale segment due to its cost effectiveness against future inflation. We are engaged into wholesale trade of suiting shirting, other textile products, trading in the kids garments which includes all types of uniforms and other fabrics on wholesale basis. The Company is also planning to wider its presence in the whole sale market by including varied product range.

### **Our Competitive Strength**

#### **Experienced Management Team**

Our Company is managed by a team of young and dynamic professionals, having experience in the apparel industry. Mr. Pinal Shah is the Managing Director and also the promoter of the Company. He has been instrumental in establishing relations with the various brands of apparels. He has over nine years of experience in retailing of branded merchandise.

#### **Success through Partnering / Franchising**

We believe that franchising or partnering is the key of expansion for business. Franchise or Partners help brands to gain foothold in unknown territories by bring in their understanding of local market conditions and business expertise. On the other hand, our Company can leverage the brand equity and share the fruits of the brand’s success and grow in the market.

#### **Quality Assurance and Standards**

We always aim to offer quality products to our customers. We believe in providing our customers the best possible quality of garments. As a result of this we only sell the products which are in better quality.

#### **Leveraging our Market Skills and Relationships**

This is a continuous process in our organization and the skill that we impart in our people give importance to customers. We aim to do this by leveraging our marketing skills and relationships and further enhancing customer satisfaction.

#### **Strong Marketing Capacity**

Our core competency lies in our marketing capability and knowledge of the market for readymade garments. We have a marketing team which is led by our Promoter Mr. Pinal Shah. We take continuous efforts by way of market survey, conducting training programs for marketing staff, designing various discount schemes, conducting various events to target the market. Our company is also benefited by the marketing support of the brands viz. advertisements, posters, images, catalogues etc provided by the companies for which we are retailing.

### **Established relationship with various brands, customers and employees**

We have developed a cordial and professional relationship with various brands, by our quality performance and delivery. Our established relationship with customers by our immaculate customer service help us getting repeated customer in retail and whole sale segment. We also enjoy cordial and professional relationships with our employees by maintaining professionalism at work place. We believe that our relationships and professionalism help us to build a strong network of people which in turn help us in our growth path.

### **Our Strategies**

#### ***Increase Geographical Presence in Tier I and Tier II cities***

Currently we are operating at four locations in Gujarat. We further intend to establish our presence in the other Tier I and Tier II cities of Gujarat as well as PAN India for various retail brands. Our emphasis is on expanding the scale of our operations in markets which we believe will provide us attractive opportunities to grow our client base and revenues. We also plan to consolidate our presence across all regions in India and also seek to increase our business with our existing customers by offering them apparels that are in line with latest fashion trends and by capitalizing on our relationships with them by offering them at affordable prices.

#### ***Introducing retailing more brands***

Currently we are retailing the brand of apparel in kids wear segment. As apparel industry is witnessing bloom in India and the brand awareness has increased amongst people with contemporary lifestyles, we intend to introduce more brands for retailing under the segment Mens wear , Womens wear, Sports wear, Footwear etc.

#### ***Continue to develop client relationships and trust***

We plan to grow our business primarily by growing our client relationships and trust. We believe that increased client relationships and trust will add stability to our business. We seek to build on existing relationships and also focus on bringing into our portfolio more clients. We believe that our business is a by-product of relationship and trust. Long-term relations are built on trust and continuous meeting with the requirements of the customers.

### **Location of stores operated by us**

Sr. No.	Location	
1	34, Iscon Arcade, Opp. Jadeblue, C.G. Road, Ahmedabad – 380 009, Gujarat	
2	Shop No. 3, Business Centre, Patthar Kuva, Relief Road, Ahmedabad – 380 001, Gujarat	
3	Ground Floor , Shop No. 4, Ratna Complex, Opp. Bank of Baroda, Maninagar Char Rasta, Ahmedabad – 380008, Gujarat.	
4	Ground Floor ,46/47, 4D Square Mall, Ahmedabad – Gandhi Nagar Highway, Chandkheda, Ahmedabad – 382 424, Gujarat	



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**Human Resource**

Currently there are fifteen employees employed in the Company. The stores operated by us are based on the various arrangements with Gini & Jony Limited, including employment of human resource by Gini & Jony Limited.

**Utilities and infrastructure facilities:**

The registered office of our Company is taken on lease basis and is well equipped with computer systems, internet connectivity, security, other communication systems and facilities required for our business operations to run smoothly. Further stores operated by us are also well equipped with facilities like water, electricity, security and other essential facilities to operate our business efficiently.

**Competition**

We face competition from various other retailers including standalone stores or other branded chain of stores in the organized as well as unorganized sector.

**Export possibility and obligation**

We do not have any export possibility and obligation.

**Approach to marketing and marketing set-up**

The efficiency of the marketing and sales network is critical success of our Company. Our success lies in the strength of our relationship with our customers. Our core competency lies in our marketing capability and knowledge of the market for readymade garments. We have strong marketing team which is led by our Promoter Mr. Pinal Shah. We take continuous efforts by way of market survey, conducting training programs for marketing staff, designing various discount schemes, conducting various events to target the market. Our company is also benefited by the marketing support of the brands viz. advertisements, posters, images, catalogues etc provided by the companies for which we are retailing.

**Our Properties**

Our Company owns the premises of its registered office and occupies it on a leave and license basis for a period of one year with effect from February 01, 2017. As on date of this Draft Prospectus, we operate our business through four stores at various locations in the state of Gujarat. We do not own any of the property from which we operate our stores and the same is based on arrangements with company for which we are retailing the brands.

**Intellectual Property**

Our Company has applied for registration of our logo under the Trademark Act 1999 and Trademark Rule 2003. For more details about our trademark please refer to chapter titled “*Government and Other Approvals*” beginning on page 133 of this Draft Prospectus.

**Insurance Policies**

S. N o.	Name of the policy	Address of the Shop	Policy No.	Insurance Company	Policy tenure	Assets Covered	Insured Amount (Rs.)	Insurance Premium (Rs.)
1	Shopkeeper's Insurance Policy covering Fire and allied perils, Burglary and housebreaking, Money Insurance, Baggage Insurance	34, Iscon Arcade, Opp. Jadeblue, C.G. Road, Ahmedabad – 380 009, Gujarat	21010048160600000090	The New India Assurance Company Limited	8.5.2016 to 7.5.2017	Stock in trade, Money in Transit, Furniture & Fixture	45,00,000	6,755
2	Shopkeeper's Insurance Policy covering Fire and allied perils, Burglary and housebreaking, Money Insurance, Baggage Insurance	Shop No. 3, Business Centre, Patthar Kuva, Relief Road, Ahmedabad – 380 001, Gujarat	21010048160600000219	The New India Assurance Company Limited	29.7.2016 to 28.7.2017	Stock in trade, Money in Transit, Furniture & Fixture	20,00,000	3,318
3	Shopkeeper's Insurance Policy covering Fire and allied perils, Burglary and housebreaking, Money Insurance, Baggage Insurance	Ground Floor, Shop No. 4, Ratna Complex, Opp. Bank of Baroda, Maninagar Char Rasta, Ahmedabad – 380008, Gujarat.	21010048150600000561	The New India Assurance Company Limited	19.3.2016 to 18.3.2017	Stock in trade, Money in Transit, Furniture & Fixture	15,00,000	2,295
4	Shopkeeper's Insurance Policy covering Fire and allied perils, Burglary and housebreaking, Money Insurance, Baggage Insurance	46/47, 4D Square Mall, Ahmedabad – Gandhi Nagar Highway, Chandkheda, Ahmedabad – 382 424, Gujarat	21010048160600000220	The New India Assurance Company Limited	1.8.2016 to 31.7.2017		30,00,000	4,828

## **KEY INDUSTRY REGULATIONS AND POLICIES**

*The following description is a summary of the relevant regulations and policies as prescribed by the Government of India, Government of Gujarat, and the respective bye laws framed by the local bodies in Ahmedabad, and others incorporated under the laws of India. The information detailed in this chapter has been obtained from the various legislations and the bye laws of the respective local authorities that are available in the public domain.*

*The regulations and policies set out below are not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice.*

### **Labour Laws**

#### ***Employees Provident Fund and Miscellaneous Provisions Act, 1952***

Employees Provident Funds and Miscellaneous Provisions Act, 1952 ("EPFA") was introduced with the object to institute compulsory provident fund for the benefit of employees in factories and other establishments. The EPFA provides for the institution of provident funds and pension funds for employees in establishments where more than 20 persons are employed and factories specified in Schedule I of the EPFA. Under the EPFA, the Central Government has framed the "Employees Provident Fund Scheme", "Employees Deposit-linked Insurance Scheme" and the "Employees Family Pension Scheme". Liability is imposed on the employer and the employee to contribute to the funds mentioned above, in the manner specified in the statute. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPFA also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

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

The Payment of Gratuity Act, 1972 provides for payment of gratuity to employees employed in factories, shops and other establishments who have put in a continuous service of five years, in the event of their superannuation, retirement, resignation, death or disablement due to accidents or diseases. The rule of "five year continuous service" is however relaxed in case of death or disablement of an employee. Gratuity is calculated at the rate of 15 days wages for every completed year of service with the employer. Presently, an employer is obliged for a maximum gratuity payout of Rs. 10,00,000/- (Rupees Ten Lakhs Only) for an employee.

#### ***Employees State Insurance Act, 1948***

The Employees State Insurance Act, 1948 (the "ESI Act") provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

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

Pursuant to the Payment of Bonus Act, 1965, as amended, an employee in a factory or in any establishment where 20 or more persons are employed on any day during an accounting year, who has worked for at least 30 working days in a year and drawing salary or wage not exceeding twenty one thousand rupees is eligible to be paid a bonus. Contravention of the provisions of the Payment of Bonus Act, 1965 by a Company is punishable with imprisonment or a fine, against persons in charge of, and responsible to the Company for the conduct of the business of the Company at the time of contravention.

#### ***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

### ***The Equal Remuneration Act, 1976 and Equal Remuneration Rules, 1976***

The Constitution of India provides for equal pay for equal work for both men and women. To give effect to this provision, the Equal Remuneration Act, 1976 was implemented. The Act provides for payment of equal wages for equal work of equal nature to male or female workers and for not making discrimination against female employees in the matters of transfers, training and promotion etc.

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

The purpose of the Maternity Benefit Act, 1961 is to regulate the employment of pregnant women and to ensure that they get paid leave for a specified period during and after their pregnancy. It provides, inter alia, for payment of maternity benefits, medical bonus and enacts prohibitions on dismissal, reduction of wages paid to pregnant women, etc.

### ***The Workmen Compensation Act, 1923 (WCA)***

The 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.

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

This statute prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Under this Act the employment of child labour in the building and construction industry is prohibited.

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

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

### **Intellectual property**

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

The Trade Marks Act, 1999 governs the statutory protection of trademarks in India. Indian trademarks law permits registration of trademarks for goods and services. Certification trademarks and collective marks are also registrable under the Trade Marks Act. An application for trademark registration may be made by any person claiming to be the proprietor of a trademark and can be made on the basis of either current use or intention to use a trademark in the

future. The registrations of certain types of trademarks are absolutely prohibited, including trademarks that are not distinctive and which indicate the kind or quality of the goods. Applications for a trademark registration may be made for in one or more classes. Once granted, trademark registration is valid for ten years, unless cancelled. The registration can be renewed for further period of ten years. If not renewed after ten years, the mark lapses and the registration for such mark have to be obtained afresh. While both registered and unregistered trademarks are protected under Indian law, the registration of trademarks offers significant advantages to the registered owner, particularly with respect to proving infringement. Registered trademarks may be protected by means of an action for infringement, whereas unregistered trademarks may only be protected by means of the common law remedy of passing off. In case of the latter, the plaintiff must, prior to proving passing off, first prove that he is the owner of the trademark concerned. In contrast, the owner of a registered trademark is prima facie regarded as the owner of the mark by virtue of the registration obtained.

### **Indian Copyright Act, 1957 (Copyright Act)**

The Copyright Act governs copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. Following the issuance of the International Copyright Order, 1999, subject to certain exceptions, the provisions of the Copyright Act apply to nationals of all member states of the World Trade Organization.

While copyright registration is not a prerequisite for acquiring or enforcing a copyright, registration creates a presumption favoring ownership of the copyright by the registered owner. Copyright registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, the copyright protection of a work lasts for 60 years.

The remedies available in the event of infringement of a copyright under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner.

### **The Patents Act, 1970 (Patent Act)**

The purpose of the Patent Act in India is to protect inventions. Patents provide the exclusive rights for the owner of a patent to make, use, exercise, distribute and sell a patented invention. The patent registration confers on the patentee the exclusive right to use, manufacture and sell his invention for the term of the patent. An application for a patent can be made by (a) person claiming to be the true and first inventor of the invention; (b) person being the assignee of the person claiming to be the true and first inventor in respect of the right to make such an application; and (c) legal representative of any deceased person who immediately before his death was entitled to make such an application.

### **Tax Related Legislations**

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

Value Added tax is a system of multi-point levies on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. VAT is based on the value addition of goods, and the related VAT liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each State that has introduced VAT has its own VAT Act under which persons liable to pay VAT must register and obtain a registration number from the Sales Tax Officer of the respective State.

The following Act and rules are applicable to the Company:

***Gujarat Value Added Tax Act, 2003, Gujarat Value Added Tax Rules, 2006.***

#### **Income Tax Act, 1961 (IT Act)**

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

### ***Central Sales Tax Act, 1956 (“Central Sales Tax Act”)***

The Central Sales tax (“CST”) is levied on the sale of moveable goods within India in the course of inter-state trade or commerce and is governed by the provisions of the Central Sales Tax Act, 1956. If the goods move between states pursuant to a sale arrangement, then the taxability of such sale is determined by the CST. On the other hand, the taxability of a sale of movable goods within the jurisdiction of the State is determined as per the local sales tax/Value Added Tax legislation in place within such State.

### ***Service Tax***

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of ‘taxable services’, defined therein. The service provider of taxable services is required to collect service tax from the recipient of such services and pay such tax to the Government. Every person who is liable to pay this service tax must register himself with the appropriate authorities. According to Rule 6 of the Service Tax Rules, every assessee is required to pay service tax in TR 6 challan by the 6th of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, the Company is required to file a quarterly return in Form ST 3 by the 25th of the month immediately following the half year to which the return relates. Every assessee is required to file the quarterly return electronically.

### ***Professional Tax***

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

## **OTHER REGULATIONS**

### ***Competition Act, 2002***

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

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

The Indian Contract Act codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

### ***Transfer of Property Act, 1882***

The transfer of property, including immovable property, between living persons, as opposed to the transfer property by operation of law, is governed by the Transfer of Property Act, 1882 (T.P. Act). The T.P. Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with hereinafter.

### ***The Registration Act, 1908 (“Registration Act”)***

The Registration Act, 1908 was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

### ***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.

### ***Gujarat Stamp Act, 1958***

The Gujarat Stamp Act, 1958 (“**Gujarat Stamp Act**”) prescribes the different rates of duties on the instrument falling within the various descriptions set-out in Schedule I of the Gujarat Stamp Act., then the instrument is chargeable with the highest of the duty prescribed. In addition, the Gujarat Stamp Act also prescribes methodology for adjudication, refund of duties, grievance processes and prosecutions. The Collector is normally vested with the power of adjudication. If a document is not stamped or adequately stamped, it is likely to be impounded.

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

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

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

The Consumer Protection Act, 1986 seeks to provide better protection of interests of the consumers and for that purpose to make provision for establishment of consumer councils and other authorities for the settlement of



consumer's disputes and for matters connected therewith. It seeks to promote and protect the rights of consumers. To provide steady and simple redressal to consumers' disputes, a quasi-judicial machinery is sought to be set up at the district, state and central levels. The quasi-judicial bodies will observe the principles of natural justices and have been empowered to give relieves of a specific nature and to award wherever appropriate compensation to consumers. Penalties for non-compliance of the orders given by the quasi-judicial bodies have also been provided.

### ***The Gujarat Shops and Establishments Act, 1948***

The Company has its registered office and retail stores in Gujarat. Accordingly the provisions of the Gujarat Shops and Establishments Act, 1948 are applicable to the Company. These provisions 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.

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

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

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

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

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

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



***The Negotiable Instruments Act, 1881(NI Act)***

In India, the laws governing monetary instruments such as cheques are contained in the NI Act, which is largely a codification of the English Law on the subject. To ensure prompt remedy against defaulters and to ensure credibility of the holders of the negotiable instrument a criminal remedy of penalty was inserted in Negotiable Instruments Act, 1881 in form of the Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment), 1988 which were further modified by the Negotiable Instruments (Amendment and Miscellaneous Provisions) Act, 2002. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid.

## **HISTORY AND CERTAIN CORPORATE MATTERS**

Our Company was originally incorporated on December 21, 2012, as 7NR Retail Private Limited as a private limited Company under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Our Company was converted into a public Limited Company and accordingly the name of our Company was changed to 7NR Retail Limited pursuant to a special resolution passed by our Shareholders at the EGM held on March 11, 2017. A fresh certificate of incorporation consequent upon conversion to public limited company was issued on March 22, 2017 by Registrar of Companies, Ahmedabad, Gujarat. Our Corporate Identification Number is U52320GJ2012PLC073076.

The promoters of our Company are Mr. Pinal Kanchanlal Shah, Mrs. Riddhi Pinal Shah and Mrs. Nutanben Jaykishan Patel.

### **Changes in our Registered Office:**

Our Company's Registered Office is currently situated at B-207, Titanium City Centre, Nr. Sachin Tower, Anand Nagar Road, Satellite, Ahmedabad -380015, Gujarat.

Details of changes in the address of the Registered Office of our Company are set forth as under:

<b>Date of Change</b>	<b>From</b>	<b>To</b>
13/08/2016	9/G, Vardan Exclusive, NR. Lakhudi Talav, Navrangpura, Ahmedabad-380009, Gujarat.	Relief Road-4, Business Center, Gheekata, Pathhar Kuva, Relief Road, Ahmedabad- 380001, Gujarat.
01/02/2017	Relief Road-4, Business Center, Gheekata, Pathhar Kuva, Relief Road, Ahmedabad-380001, Gujarat.	B-207, Titanium City Centre, Nr. Sachin Tower, Anand Nagar Road, Satellite, Ahmedabad -380015 Gujarat.

### **Main Objects of our 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 of our Company are:

1. To carry on the business as buyers, sellers, importers, exporters and dealers of silk, art silk, synthetic, woolen and cotton fabrics and other fibrous products including dressing and furnishing materials, uniforms, readymade garments, carpets and carpet backing, blankets padding knitted goods, woven bags, hosiery gloves, yarn and sewing thread and, packing, grading, crimping, twisting, texturing, bleaching dyeing, printing, mercerizing or otherwise processing yarn, cloth, carpets, blankets and other textile goods, whether made from cotton, jute, wool, silk, art silk, synthetic and other fibers or blends thereof. And deal in any commodities, substances, articles, merchandise, goods, and things whether solid or liquid or gaseous as an Agent, commission agent, forwarding agent, clearing agent, Distributors, warehousemen, licensees, merchants, traders, sales organizers, representative of manufacturers of such commodities, substances, articles, merchandise, goods, and things and for that purpose to buy, to sell exchange and market, pledge, distribute, install, service, maintain or otherwise deal in commodities, substances, articles, merchandise, goods, and things and to carry on agency business.

### **Changes in the Memorandum of Association**

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

<b>Date</b>	<b>Particulars</b>
March 01, 2015	Authorised Share Capital of the Company increased from Rs. 10.00 Lacs divided into 1,00,000 Equity Shares of Rs. 10/- each to Rs. 300.00 Lacs divided into 30,00,000 Equity Shares of Rs. 10/- each

Date	Particulars
February 14, 2017	Authorised Share Capital of the Company increased from Rs. 300.00 Lacs divided into 30,00,000 Equity Shares of Rs. 10/- each to Rs. 700.00 Lacs divided into 70,00,000 Equity Shares of Rs. 10/- each.
March 11, 2017	Change of Name of the Company from 7NR Retail Private Limited to 7NR Retail Limited pursuant to Conversion of Company from Private Limited to Public Limited.

### Major Events and Milestones

The table below sets forth the key events in the history of our Company:

Year	Particulars
2012	Incorporation of the Company
2016	Memorandum of Understanding entered with the Gini & Jony Ltd.
2017	Conversion of Company from Private Limited to Public Limited Excellence Award(Ahmedabad) in sales meet of Gini & Jony Ltd.

### Other details regarding our Company

For details regarding the description of our activities, including details of our business, geographical presence, growth, competition, products, capacity build-up, technology, and managerial competence, please see sections entitled “*Our Business*”, “*Our Management*” and “*Industry Overview*” beginning on pages 61, 76 and 56 respectively.

### Revaluation of Assets

Our Company has not revalued its assets since its incorporation.

### Holding Company of our Company

Our Company has no holding company as on the date of filing of this Draft Prospectus.

### Subsidiary of our Company

There is no subsidiary of our Company as on the date of filing of this Draft Prospectus.

### Injunctions or Restraining Orders

There are no injunctions/ restraining orders that have been passed against the Company.

### Details regarding Acquisition of Business/Undertakings, Mergers, Amalgamation etc.

There are no mergers, amalgamation, etc. with respect to our Company and we have not acquired any business/undertakings till date.

### Changes in the Activities of our Company during the Last Five Years

There has been no change in the business activities of our Company during the last five years from the date of this Draft Prospectus.

### Capital raising activities through Equity or Debt

For details of the equity capital raising of our Company, please refer to the chapter titled “**Capital Structure**” beginning on page 35 of this Draft Prospectus. We have not done any debt issuances or raised any long term debt since incorporation till date.

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**Changes in the Management**

For details of change in Management Please refer to “Our Management” on page 76 of this Draft Prospectus.

**Shareholders Agreements**

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

**Strikes and Lock-Outs**

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lock-outs. As on the date of this Draft Prospectus, our employees are not unionized.

**Other Agreements**

Our Company has not entered into any specific or special agreements except that have been entered into in ordinary course of business as on the date of filing of this Draft Prospectus.

**Collaboration**

Our Company has not entered into any collaboration with any third party as per regulation (VIII) B (1) (c) of part A Schedule VIII of SEBI (ICDR) Regulations, 2009.

**Strategic Partner**

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

**Financial Partner**

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

**Defaults or Rescheduling of Borrowings with Financial Institutions or Banks**

There have been no defaults or rescheduling of borrowings with financial institutions or banks as on the date of this Draft Prospectus.

**Number of Shareholders**

Our Company has Nineteen (19) shareholders on date of this Draft Prospectus.

## OUR MANAGEMENT

### Board of Directors

As per the Articles of Association, our Company is required to have not less than three (3) Directors and not more than Twelve (15) Directors. Our Company currently has five (5) Directors on Board. The following table sets forth current details regarding our Board of Directors:

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Date of Appointment	Other Directorships/Designated Partners
<b>Mr. Pinal Kanchanlal Shah</b> S/o: Mr. Kanchanlal Bhailal Shah <b>Age: 40 years</b> <b>Designation:</b> Managing Director <b>Term:</b> Appointed as the Managing Director for a period of 3 years w.e.f. January 19 <sup>th</sup> , 2017 <b>Address:</b> B-Type B/2, Bimal Flats Nr. Azad Society, Ambawadi Ahmedabad-380015, Gujarat <b>Occupation:</b> Business <b>PAN:</b> AMMPS1303E <b>Nationality:</b> Indian <b>DIN:</b> 05197449	Appointed as Director since inception of the Company subsequently appointed as Managing Director vide resolution in EGM dated 14.2.2017	NIL
<b>Mrs. Riddhi Pinal Shah</b> D/o: Mr. Upendra Kumar Kantilal Shah <b>Age : 38 Years</b> <b>Designation:</b> Additional Non Executive Director <b>Term:</b> Liable to retire by rotation <b>Address:</b> B-Type B/2, Bimal Flats Nr. Azad Society, Ambawadi Ahmedabad-380 015, Gujarat <b>Occupation:</b> Business <b>PAN:</b> AOPPS5087J <b>Nationality:</b> Indian <b>DIN:</b> 05197462	Appointed as Director since inception of the Company subsequently reappointed as Additional Non Executive and Non Independent Director vide board resolution dated 26.4.2017	NIL
<b>Mr. Akshay Premraj Mohnot</b> S/o : Mr. Premraj Tejraj Mohnot <b>Age: 49 year</b> <b>Designation:</b> Non Executive Independent Director <b>Term:</b> Appointed as Independent Director for the period of 5 years <b>Address:</b> D-104, Sarthak Tower, Ramdevnagar Cross Road, Satellite. Ahmedabad – 380015, Gujarat <b>Occupation:</b> Professional <b>PAN:</b> AEHPM2438R <b>Nationality:</b> Indian <b>DIN:</b> 06445501	Appointed as Additional Independent Director pursuant to board resolution dated 19.1.2017 and regularized vide resolution in EGM dated 14.2.2017	NIL

<b>Ms. Eity Suryanarayan Pandey</b> <b>D/o:</b> Mr. Suryanarayan Deviprasad Pandey <b>Age :</b> 31 years <b>Designation:</b> Non Executive Independent Director <b>Term:</b> Appointed as Independent Director for the period of 5 year <b>Address:</b> D/E-34 Bhagyoday Soc.,Part-2 Nr. Petrol Pump Bethak Naroda ,Ahmedabad – 382325, Gujarat <b>Occupation:</b> Business <b>PAN:</b> BIIPP5042A <b>Nationality:</b> Indian <b>DIN:</b> 07115578	Appointed as Additional Independent Director pursuant to board resolution dated 19.1.2017 and regularized vide resolution in EGM dated 14.2.2017	NIL
<b>Mr. Mayank Agarwal</b> <b>S/o:</b> Ghanshyam Prasad Agarwal <b>Age:</b> 30 Years <b>Designation:</b> Non Executive Independent Director <b>Term:</b> Appointed as Independent Director for the period of 5 years <b>Address:</b> Jhhala ka Chohata, Bhinmal District Jalore Rajasthan 343029, Rajasthan <b>Occupation:</b> Service <b>PAN:</b> AMNPA2863N <b>Nationality:</b> Indian <b>DIN:</b> 07179292	Appointed as Additional Independent Director pursuant to board resolution dated 19.1.2017 and regularized vide resolution in EGM dated 14.2.2017	NIL

**Note:**

As on the date of this Draft Prospectus:

1. None of the above mentioned Directors are on the RBI List of willful defaulters as on date.
2. Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) for more than 3 months during the five years prior to the date of filing this Draft Prospectus or (b) delisted from the stock exchanges.
3. None of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

**Brief Biographies of our Directors**

**Mr. Pinal Kanchanlal Shah** aged 40 years, is the Promoter, and Managing director of our company. He has completed his graduation in the field of Commerce from the Gujarat University. He also holds Diploma in Technology Management from British Institute of Technology & E-Commerce., London U.K. He has more than 9 years of total experience in Retail Industry. He is visionary and guides our Company and Management at all the stages of its development and strategic decisions. He is on the board of the Company since incorporation of the Company.

**Ms. Riddhi Pinal Shah** aged 38 years, is the Non Executive and Non Independent Director of the Company. She has completed her degree in Bachelor of Commerce from Gujarat University. She has more than 5 years of total experience in business administration. She looks after day to day operations of the Company.

**Mr. Akshay Premraj Mohnot**, aged 49 years, is the Non Executive and Independent Director of our Company. He is member of Institute of Chartered Accountants of India and is also a partner of Akshay Mohnot & Co. and has rich experience in Corporate Restructuring, Banking Consultancy, Loan Settlement, Management Services, Audit and Government Registration etc. He has rich experience in the field of Corporate Affairs. He has been on the board of our Company since January 19, 2017.

**Ms. Eity Suryanarayan Pandey** aged 31 years, is the Non Executive Independent Director of our Company. She holds a degree in Bachelor of Commerce. She has a rich experience in the field of Accounting, Finance and Taxation. She has been on the board of our Company since January 19, 2017

**Mr. Mayank Agarwal**, aged 30 years, is the Independent Director of our Company. He holds a degree in Bachelor of Commerce from Gujarat University. He has rich experience in the field of Corporate Affairs. He has been on the board of our Company since January 19, 2017.

### Confirmations

There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a Director or member of the senior management.

The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.

None of the Directors is or was a director of any listed company during the last five years preceding the date of filing of this Draft Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in any such Company.

None of the Directors is or was a director of any listed company which has been or was delisted from any recognized stock exchange in India during the term of their directorship in such Company.

### Nature of Family Relationship among Directors

Mr. Pinal Kanchanlal Shah and Mrs. Riddhi Pinal Shah are husband and wife.

### Borrowing Powers of the Directors

In accordance with the Articles of Association and pursuant to the EGM of our Company held on February 14, 2017, the Board is authorised to borrow money, mortgage, hypothecate and/or charge all of our Company's immovable and movable properties, present and future, in such sum form or manner as the Board may think fit for securing loans already obtained or that may be obtained from our Company's banker or any other banks, financial institution or any other lending institutions or persons, provided that the total amount of money or monies so borrowed (apart from temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business), by our Company shall not, at any time, exceed the Rs.10.00 Crores.

### Remuneration to our Directors

Details of remuneration paid to our Directors during fiscal 2017 are set for the in the table below:

Sr. No.	Name of Director	Remuneration (Rs. in Lakhs)
1	Mr. Pinal Kanchanlal Shah	4.25
2	Mrs. Riddhi Pinal Shah	4.10

## Terms of Appointment of our Directors

### Executive Directors

<b>Name</b>	Mr. Pinal Kanchanlal Shah
<b>Designation</b>	Managing Director
<b>Period</b>	Appointed for a period of 3 years w e f 19.1.2017
<b>Remuneration</b>	Rs. 6.50 Lakh per annum (including perquisites)

Mr. Pinal kanchanlal Shah was appointed as the Managing Director of our Company pursuant to the resolution passed by our Board on January 19, 2017 and approved by the shareholders in the EGM held on February 14, 2017.

There is no definitive and /or service agreement that has been entered into between our Company and the directors in relation to their appointment.

### Non Executive Directors

Currently, non-executive Directors are not being paid any remuneration apart from payment of sitting fees. We also confirm that no remuneration being paid to Independent Directors apart from payment of sitting fees.

### Shareholding of Directors in our Company

Other than the following, none of our Directors holds any Equity Shares as of the date of filing this Draft Prospectus:

<b>Name of Director</b>	<b>Number of Equity Shares held</b>	<b>Percentage of pre-Issue capital</b>
Mr. Pinal Kanchanlal Shah	10,84,860	21.30
Mrs. Riddhi Pinal Shah	391,100	7.70

Our Directors do not hold any outstanding vested options, pursuant to the employee stock option scheme implemented by our Company.

Our Articles of Association do not require our Directors to hold any qualification shares.

### Changes in our Board of Directors during the last three (3) years

The changes in the Directors during last three (3) years are as follows:

<b>Name</b>	<b>Date of appointment</b>	<b>Date of cessation</b>	<b>Reason</b>
Dineshbhai Somabhai Patel	21/12/2012	02/03/2015	Resignation due to personal reason
Pragnesh Shah Hasmukhlal	21/12/2012	02/03/2015	Resignation due to personal reason
Nutanben Jaykishan Patel	21/12/2012	24/01/2017	Resignation due to pre occupation
Pinal Kanchanlal Shah	19/01/2017	-	Appointment as Managing Director
Kunjal Ashokkumar Panchal	19/01/2017	19/01/2017	Appointment and Resignation due to pre occupation
Akshay Premraj Mohnot	19/01/2017	-	Appointment as Additional Non Executive and Independent Director
Eity Suryanarayan Pandey	19/01/2017	-	Appointment as Additional Non Executive and Independent Director
Mayank Agarwal	19/01/2017	-	Appointment as Additional Non Executive and Independent Director



Riddhi Pinal Shah	-	22.4.2017	Resignation from Executive Director
Riddhi Pinal Shah	26.4.2017	-	Appointed as Non Executive Director

### Interest of Directors

Our Directors may be deemed to be interested to the extent of remuneration paid to them for services rendered as a Director of our Company and reimbursement of expenses, if any, payable to them. For details of remuneration paid to our see “*Remuneration to our Directors*” above.

Our Directors may also be regarded as interested to the extent of Equity Shares held by them in our Company, if any, details of which have been disclosed above under the heading “*Shareholding of Directors in our Company*”. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares.

Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to this Issue.

Except as stated in the chapter titled “*Related Party Transactions*” on page 94 of this Draft Prospectus, our Directors do not have any other interest in the business of our Company.

### Bonus or Profit Sharing Plan for our Directors

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

### Corporate Governance

The provisions of the Listing Regulations with respect to corporate governance will also be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchange. We are in compliance with the requirements of the applicable regulations, including the SEBI (LODR) Regulations, the SEBI (ICDR) Regulations and the Companies Act, 2013 in respect of corporate governance including constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act and SEBI (LODR) Regulations, to the extent applicable. Our Board functions either as a full board or through various committees constituted to oversee specific functions. In compliance with the requirements of the Companies Act and the SEBI (LODR) Regulations, to the extent applicable our Board of Directors consists of five Directors (including one woman Director).

### Committees of our Board

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

- Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholders’ Relationship Committee;

Details of each of these committees are as follows:

#### a. Audit Committee;

Our Audit Committee was constituted pursuant to resolution of our Board dated March 27, 2017. The Audit Committee comprises of the following:

S. N.	Name of the Director	Status	Nature of Directorship
1.	Mr. Akshay Premraj Mohnot	Chairman	Non-Executive &Independent Director
2.	Mr. Mayank Agarwal	Member	Non-Executive & Independent Director
3.	Mr. Pinal Kanchanlal Shah	Member	Managing Director

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

The scope, functions and the terms of reference of the Audit Committee is in accordance with the Section 177 of the Companies Act, 2013 and Regulation 18 (3) Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule II Part C.

The role of the audit committee shall include the following:

- (1) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) reviewing, with the management, the annual financial statements and auditor's report thereon 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) modified opinion(s) in the draft audit report;
- (5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) approval or any subsequent modification of transactions of the listed entity with related parties;
- (9) scrutiny of inter-corporate loans and investments;
- (10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) evaluation of internal financial controls and risk management systems;

- (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) 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;
- (14) discussion with internal auditors of any significant findings and follow up there on;
- (15) 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;
- (16) 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;
- (17) 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;
- (18) to review the functioning of the whistle blower mechanism;
- (19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the 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.
- (6) statement of deviations: (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1). (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7)

#### **b. Nomination and Remuneration Committee**

The Nomination and Remuneration committee was constituted by a resolution of our Board dated March 27, 2017. The constitution of the Nomination and Remuneration committee is as follows:

S. N.	Name of the Director	Status	Nature of Directorship
1.	Mr. Mayank Agarwal	Chairman	Non-Executive &Independent Director
2.	Mr. Akshay Premraj Mohnot	Member	Non-Executive &Independent Director
3.	Ms. Eity Suryanarayan Pandey	Member	Non-Executive &Independent Director

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

The scope, functions and the terms of reference of the Nomination and Remuneration Committee is in accordance with the Section 178 of the Companies Act, 2013 read with Regulation 19 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms of reference of Nomination and Remuneration Committee shall include the following:

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) Devising a policy on diversity of board of directors;
- (4) 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.
- (5) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

#### c. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted by a resolution of our Board dated March 27, 2017. The constitution of the Stakeholders' Relationship committee is as follows:

S. N.	Name of the Director	Status	Nature of Directorship
1.	Ms. Eity Pandey	Chairman	Non-Executive Independent Director.
2.	Mr. Akshay Mohnot Agarwal	Member	Non-Executive Independent Director
3.	Mr. Mayank Agarwal	Member	Non-Executive Independent Director

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

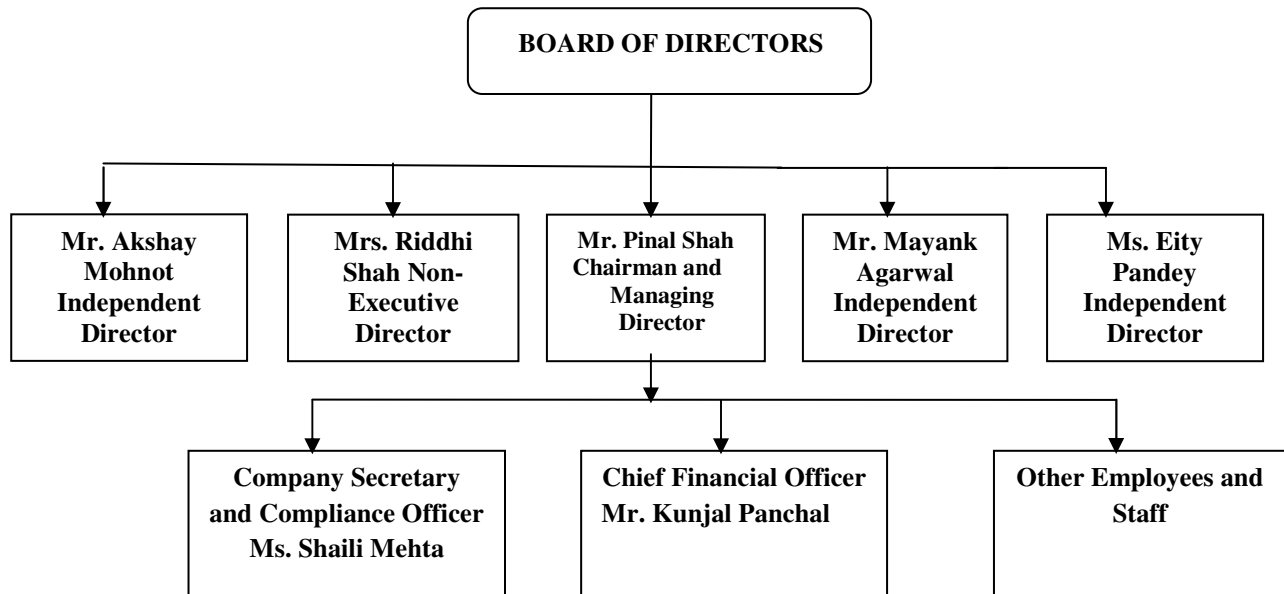
This Committee is responsible for the redressal the grievances of the security holders including complaints relate to transfer of shares, non-receipt of annual report and non-receipt of dividend. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act read with Regulation 20 of the Listing Regulations.

Our Company has adopted the following policies:

1. Code of Conduct
2. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
3. Whistle Blower Policy & Vigil Mechanism
4. Related Party Transactions (RTP) Policy
5. Policy for Preservation of Documents & Archival of Documents
6. Policy for Prevention of Sexual Harassment

## Organization Structure

The Management Organization Structure of the Company is depicted in the following chart:



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## Our Key Managerial Personnel

Our Company is managed by its Board of Directors, assisted by qualified professionals, in the respective field of administration / finance / distribution / marketing and corporate laws.

In addition to our Managing Director Mr. Pinal Kanchanlal Shah, following key personnel assist the management of our Company:-

Mr. Kunjal Ashokkumar Panchal Chief Financial Officer

Ms. Shaili Samir Mehta. Company Secretary and Compliance Officer

For details of our Managing Director please refer chapter “Our Management” on page 76 of this Draft Prospectus.

### Brief Profile of Key Managerial Personnel:

**Mr. Kunjal Ashokkumar Panchal** aged 38 years, is the Chief Financial Officer of our Company. He has completed his Master of Business Administration in Finance from the Gujarat University. He is associated with our Company since February 14, 2017. His responsibilities in our Company include overseeing the corporate finance, accounts, statutory and internal audit, and financial projections of our Company. He looks after the day to day accounting system, tax and other liaisoning work with various government authorities. His gross salary for fiscal 2017 is Rs.0.19 Lacs.

**Ms. Shaili Samir Mehta**, aged 22 years is Company Secretary & Compliance Officer of our Company. She is an associate member of Institute of Companies Secretaries of India. She has joined our Company on February 01, 2017. Her scope of work and responsibilities include vetting of agreements, preparation of minutes, drafting of resolutions, preparation and updating of various statutory registers, and compliance with the provisions of Companies Act. Her gross salary for fiscal 2017 is Rs. 0.37 Lacs.

### Status of Key Managerial Personnel

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

### Family Relationship between Key Managerial Personnel

As on date, none of the key managerial personnel is having family relation with each other.

### Arrangements and Understanding with major Shareholders

None of our key managerial personnel have been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

### Shareholding of the Key Managerial Personnel

Except Mr Pinal Shah, Promoter and Managing Director of the Company holding 10,84,860 Equity Shares, as on date, none of the key managerial persons are holding Equity Shares of our Company.

### Bonus or Profit Sharing Plan for the Key Managerial Personnel

There is no profit sharing plan for the key managerial personnel. Our Company makes bonus payments to the employees based on their performances, which is as per their terms of appointment.

### Loans to Key Managerial Personnel

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

### Interest of Key Managerial Personnel

Except Mr. Pinal Shah, Promoter and Managing Director of the Company, the key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company, if any.

Except as disclosed in this Draft Prospectus, none of our key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration.

### **Changes in Key Managerial Personnel of our Company during the Last Three (3) Years**

For details of changes regarding our Promoter and Managing Director, Mr. Pinal Shah during last three years please refer chapter titled “*Our Management*” on page 76 of this Draft Prospectus.

Set forth below are the changes in the key managerial personnel of our Company during the last three (3) years.

<b>Name</b>	<b>Date of appointment</b>	<b>Date of cessation</b>	<b>Reason</b>
Mr. Kunjal Ashokkumar Panchal	14.02.2017	-	Appointment as CFO
Ms. Shaili Samir Mehta	01.02.2017	-	Appointment as Company Secretary

### **Employees Stock Option Scheme**

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

### **Payment or Benefit to our Officers**

Except for the payment of normal remuneration for the services rendered in their capacity as employees of our Company, no other amount or benefit has been paid or given within the two (2) preceding years or intended to be paid or given to any of them.

### **Employees**


The details about our employees appear under the Paragraph titled “Human Resource” beginning on page 64 of this Draft Prospectus.

## OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are:


1. **Mr. Pinal Kanchanlal Shah**
2. **Mrs. Riddhi Pinal Shah**
3. **Mrs. Nutanben Jayeshbhai Patel**

### 1. Mr. Pinal Kanchanlal Shah

	<b>Mr. Pinal Kanchanlal Shah</b> aged 40 years, is the Promoter, Managing Director of our company. He is commerce graduate from the Gujarat University. He also holds Diploma in Technology Management from British Institute of Technology & E-Commerce., London U.K. He has more than 9 years of total experience in Retail Industry. For more details please refer chapter titled “ <i>Our Management</i> ” beginning on page 76 of this Draft Prospectus.
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<b>Address</b>	B-Type B/2,Bimal Flats Nr. Azad Society, Ambawadi Ahmedabad-380015, Gujarat.
<b>Occupation</b>	Business
<b>Permanent Account Number</b>	AMMPS1303E
<b>Passport Number</b>	H8015803
<b>Driving License Number</b>	GJ01-207803-00
<b>Aadhar Card Number</b>	7166 6517 3094

### 2. Mrs. Riddhi Pinal Shah

	<b>Mrs. Riddhi Pinal Shah</b> aged 38 years, is the Promoter and Non Executive Director of the Company. She has completed her degree in Bachelor of Commerce from Gujarat University. She has more than 5 years of experience in Business Administration. For more details please refer chapter titled “ <i>Our Management</i> ” beginning on page 76 of this Draft Prospectus.
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<b>Address</b>	B-Type B/2,Bimal Flats Nr. Azad Society, Ambawadi Ahmedabad-380015, Gujarat
<b>Occupation</b>	Business
<b>Permanent Account Number</b>	AOPPS5087J
<b>Passport Number</b>	H8011527
<b>Driving License Number</b>	GJ01/090399/07
<b>Aadhar Card Number</b>	3320 0326 2765

### 3. Mrs. Nutanben Jaykishan Patel

	<b>Mrs. Nutanben Patel</b> aged 40 years, is the Promoter of the Company. She has completed her Bachelor of Arts from Gujarat University. She has more than 5 years of total experience in the area of Business Administration.
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<b>Address</b>	81/82 Gokul Nagar Society, near Jaymala Bus Stop, Isanpur Road, Ahmedabad – 380 050, Gujarat India
<b>Occupation</b>	Business
<b>Permanent Account Number</b>	BTUPP9829G
<b>Passport Number</b>	E8462904
<b>Driving License Number</b>	Not Available
<b>Aadhar Card Number</b>	3996 2586 6564

### Other Undertakings and Confirmations

Our Company undertakes that the details of Permanent Account Number, bank account number and passport number of the Promoters will be submitted to the SME platform of BSE Exchange, where the securities of our Company are proposed to be listed at the time of submission of this Draft Prospectus.

### Common Pursuits of our Promoters

Other than as mentioned in chapter Group Companies / Entities beginning on page 91, our Promoters have not promoted any Promoter Group / Group Companies which are engaged in the line of business similar to our Company as on the date of this Draft Prospectus except as mentioned under chapter titled “Our Promoters and Promoter Group” & “Group Companies/Entities”. For more details please refer Section titled “Our Promoters and Promoter Group” & “Group Companies/Entities” on page 87 & 91 of this Draft Prospectus respectively. We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

### Interest of the Promoters

Our promoters are interested in our Company to the extent that they have promoted the Company, to the extent of their shareholding, for which they are entitled to receive the dividend declared, and other distribution in respect of Equity Shares if any, by our Company. For details on shareholding of our Promoter in our Company, see sections “Capital Structure” and “Our Management” on pages 35 and 76 of this Draft Prospectus.

Further, our Promoters who are also our Directors may be deemed to be interested to the extent of fees, remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act, terms of the Articles and their terms of appointment.

Except as stated herein and as stated in “Related Party Transactions” appearing under section titled “Financial Information” of the Company beginning on page 96 of this Draft Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Prospectus in which the Promoters are directly or indirectly interested and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made to them.

### Interest in the property of Our Company

Our Promoters have no interest in any property acquired or proposed to be acquired by our Company within the two years from the date of this Draft Prospectus, or in any transaction by our Company.

### Payment amounts or benefit to our Promoters during the last two years

No payment has been made or benefit given to our Promoters in the two years preceding the date of this Draft Prospectus except as mentioned / referred to in this chapter and in the section titled ‘Our Management’, ‘Financial Information’ and ‘Capital Structure’ on page nos. 76, 96 and 35 respectively of this Draft Prospectus. Further as on the date of this Draft Prospectus, there is no bonus or profit sharing plan for our Promoters.

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**Confirmations**

For details of legal and regulatory proceedings involving our Promoter, please refer to the section titled “*Outstanding Litigation and Material Developments*” on page 128 of this Draft Prospectus. Our Promoters have not been declared a willful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by our Promoters in the past or are pending against them.

**Other ventures of our Promoters**

Save and except as disclosed in the section titled “Our Promoters and Promoter Group” and “Group Companies / Entities” beginning on page 87 & 91 respectively of this Draft Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests.

**Litigation details pertaining to our Promoters**

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled “Outstanding Litigations and Material Developments” on page 128 of this Draft Prospectus.

**Shareholding of the Promoters and Promoter Group in our Company**

Except as disclosed in “*Capital Structure*”, none of the members of our Promoter Group hold any Equity Shares as on the date of filing of this Draft Prospectus.

**Related Party Transactions**

For the transactions with our Promoter Group entities, please refer to section titled “*Related Party Transactions*” on page 94 of this Draft Prospectus.

Except as stated in “*Related Party Transactions*” on page 94 of this Draft Prospectus, and as stated therein, our Promoters or any of the Promoter Group Entities do not have any other interest in our business.

**Companies with which the Promoters are disassociated in the last three years**

None of the Promoters are disassociated with any Company in last three years.

### **Our Promoter Group**

In addition to the Promoters named above, the following individuals and entities form a part of the Promoter Group:

#### **Individuals forming part of Promoter Group**

In terms of SEBI (ICDR) Regulations, the following immediate relatives, due to their relationship with our Promoters are part of our Promoter Group in terms of Regulation 2(1) (zb) (ii) of SEBI (ICDR) Regulations

Promoters	Pinal Kanchanlal Shah	Riddhi Pinal Shah	Nutanben Jaykishan Patel
Father	Kanchanlal Shah	Upendra Kumar Kantilal Shah	Jayantibhai Patel
Mother	Chandrika Kanchanlal Shah	Usha Upendra Shah	Kusumben Patel
Spouse	Riddhi Pinal Shah	Pinal Kanchanlal Shah	Jaykishan Patel
Brother(s)	-	Kaushal Upendra Shah	Ashish Patel
Sister(s)	Falguni Parag Shah	-	Rupal Patel
Son	Rishi Pinal Shah	Rishi Pinal Shah	Krish Patel
Daughter(s)	-	-	-
Spouse Father	Upendra Kumar Kantilal Shah	Kanchanlal Shah	Shantibhai Patel
Spouse Mother	Usha Upendra Shah	Chandrika Kanchanlal Shah	Chandrika Patel
Spouse Brother(s)	Kaushal Upendra Shah	-	Jignesh Shantibhai Patel
Spouse Sister(s)	-	Falguni Parag Shah	-

#### **Entities forming part of the Promoter Group:**

**The following entities form part of our Promoter Group pursuant to the terms of Regulation 2(1) (zb) (iv) of SEBI (ICDR) Regulations.**

7NR INC (Partnership Firm)

Indian Look (Partnership Firm)

#### **Hindu Undivided Families forming part of the Promoter Group:**

Pinal Shah HUF

### **GROUP COMPANIES/ENTITIES**

Pursuant to the requirement of SEBI ICDR Regulations, the Group Companies include entities covered under the applicable accounting standards, being AS 18 (as identified under the Restated Financial Statements) and also other entities as considered material by the Board of the Company.

As per Materiality Policy on Group Companies approved in the meeting of the Board of Directors of our company held on March 27, 2017, the Group Company shall be considered material for the purpose of disclosure in this Draft Prospectus of the Company if such Company /Entity is included in the list of related parties under AS 18 (as identified under the restated financial statements) and such entity is part of Promoter Group in terms of Regulation 2(1) (zb) (iv) of SEBI (ICDR) Regulations.

Sr. No.	Name of Entity	Status
1	7NR INC	Partnership Firm
2	Indian Look	Partnership Firm

#### **Listed Companies within our Group Companies**

There is no listed Company in our Group Companies.

#### **Unlisted Companies within our Group Companies/Entities:-**

##### **1. 7NR INC**

7NR INC is a partnership firm formed with the intention of carrying on business of Retail, Wholesale, Distributorship, Marketing, Services of Clearing and Forwarding and liaison agent vide partnership deed dated July 07, 2010 and further with the intention to add two more partners, 'change deed of partnership' was executed on May 21, 2015.

#### **Interest of our Promoters**

The share of profit or losses of 7NR INC will be apportioned to its partners as set forth in the table below:

Sr. No.	Name of partner	Profit Sharing (%)
1	Riddhi Pinal Shah	25.00
2	Shila Chandreshbhai Shah	25.00
3	Jaykishan Shantilal Patel	25.00
4	Pinal Shah HUF	25.00
	<b>Total</b>	<b>100.00</b>

Mrs. Riddhi Shah is our Promoter, Jaykishan Shantilal Patel is husband of our Promoter Mrs Nutanben Patel, and Pinal Shah HUF is HUF of our Promoter Mr. Pinal Shah.

#### **Financial Information**

(Rs. In Lakhs)

Particulars	Fiscal 2016	Fiscal 2015	Fiscal 2014
Total Income	98.34	0.00	0.01
Net Profit/ (Loss)	1.09	(0.01)	(0.08)
Partners' Capital A/c	66.28	0.09	0.03

## 2. Indian Look

Indian Look is a partnership firm formed with the intention of carrying on business of Retail, Wholesale, Distributorship, Marketing, Services of Clearing and Forwarding and liaison agent in any cities in Gujarat State vide partnership dated September 06, 2011.

### Interest of our Promoters

The share of profit or losses of 'Indian Look' will be apportioned to its partners as set forth in the table below:

Sr. No.	Name of partner	Profit Sharing (%)
1	Riddhi Pinal Shah	25.00
2	Payal Kunjal Panchal	25.00
3	Chirag Dineshbhai Patel	25.00
4	Urmil Mukeshkumar Shah	15.00
5	Naishal Pragneshbhai Shah	10.00
	<b>Total</b>	<b>100.00</b>

Mrs. Riddhi Shah is Promoter of our Company.

### Financial Information

(Rs. In Lakhs)

Particulars	Fiscal 2016	Fiscal 2015	Fiscal 2014
Total Income	Nil	Nil	Nil
Net Profit/ (Loss)	Nil	(0.08)	(0.04)
Partners' Capital A/c	0.05	0.04	0.79

### Interest of Group Entities in our Company

Our group entities do not have any interest in

- the promotion of our Company
- any property acquired by our Company within the last two years or proposed to be acquired by our Company
- in any transaction for acquisition of land, construction of building and supply of machinery

No part of the Issue Proceeds is payable to our group entities mentioned above.

### Undertaking / Confirmations

Our Promoters, Promoter Group and Group Companies/entities have further confirmed that they have not been declared as wilful defaulters by the RBI or any other government authority and there have been no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them except as stated under chapters "Risk Factors", "Our Promoter and Promoter Group", "Group Companies / Entities" and "Outstanding Litigations and Material Developments" on pages 11, 87, 91 and 128 of this Draft Prospectus, respectively. Additionally, none of our Promoters, Promoter Group and Group Companies/Entities have been restrained from accessing the capital market for any reasons by the SEBI or any other authorities except as stated under chapters "Risk Factors", "Our Promoter and Promoter Group", "Group Companies / Entities" and "Outstanding Litigations and Material Developments" on pages 11, 87, 91, and 128 of this Draft Prospectus, respectively.

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**Common Pursuits**

Our group entities 7NR INC and Indian Look are authorized to carry on business activities similar to our Company. Though, presently our Group entities are not carrying out a business activity similar to our business, we do not have any non compete agreement in place for the same. A conflict of interest may arise in future between our company and our Group entities and for associated “*Risk Factors*” please refer page 11 of this Draft Prospectus.

**Litigation/ Defaults**

For details relating to legal proceedings involving the Promoters, Promoter Group and Group Companies/Entities, see the section titled “*Outstanding Litigation and Material Developments*” beginning on page 128 of this Draft Prospectus.

**Related Business Transaction within the Group and Significance on Financial Performance**

There are no business transactions between our Company and the Promoter Group Companies except as stated on under section titled as “*Related Party Transactions*” on page 94 in this draft prospectus.

**Sale or Purchase between our company and our Promoter Group Companies**

There are no sales or purchases between our Company and any Company in the Promoter Group and the Group Companies / Entities except as stated on under the titled “*Related party transactions*” on page 94 in this draft prospectus exceeding 10% of the sales or purchases of our Company.

**Sick Companies**

There are no Companies in our Promoter group and the Group Companies / Entities listed above which have been declared as a sick company under the SICA. There are no winding up proceedings against any of Promoter Group Companies and the Group Companies / Entities. Further, no application has been made by any of them to ROC to strike off their name.

**Defunct Group Companies and Entities**

None of our Promoter Group Companies and the Group Companies / Entities has remained defunct and no application has been made to the Registrar of Companies for striking off their name from the register of companies, during the five years preceding the date of filing of this Draft Prospectus.

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**RELATED PARTY TRANSACTIONS**

For details please refer to “*Annexure XXII -Related Party Transactions*” forming part of the chapter titled “*Financial Information*” beginning on page 96 of this Draft Prospectus.

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**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 General Meeting. The shareholders of our Company have the right to decrease or 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.

There are no dividends declared by our Company since last five years

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



## SECTION V - FINANCIAL INFORMATION

### AUDITOR'S REPORT ON RESTATED FINANCIAL STATEMENTS

**Independent Auditors' report as required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014**

To,  
**The Board of Directors,**  
**7NR Retail Limited**  
**B-207, Titanium City Centre,**  
**Nr. Sachin Tower, Anandnagar Road**  
**Satellite, Ahmedabad – 380 015, India**

1. We have examined the restated summary statement of assets and liabilities of **7NR Retail Limited**, (hereinafter referred to as “**the Company**”) as at March 31, 2017, 2016, 2015, 2014 and 2013, restated summary statement of profit and loss and restated summary statement of cash flows for the financial year ended on March 31, 2017, 2016, 2015, 2014, and 2013 (collectively referred to as the “**restated summary statements**” or “**restated financial statements**”) annexed to this report and initialed by us for identification purposes. These restated financial statements have been prepared by the management of the Company and approved by the board of directors at their meeting in connection with the proposed Initial Public Offering (IPO) on SME Platform of BSE Limited (“**BSE**”) of the company.
2. These restated summary statements have been prepared in accordance with the requirements of:
  - (i) sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 (“the Act”) read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (“**ICDR Regulations**”) and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India (“**SEBI**”)
3. We have examined such restated financial statements taking into consideration:
  - (i) The terms of reference to our engagement letter with the lead merchant banker dated April 15, 2017 requesting us to carry out the assignment, in connection with the proposed Initial Public Offering of equity shares on SME Platform of BSE Limited (“**IPO**” or “**SME IPO**”); and
  - (ii) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (“**Guidance Note**”).
4. The restated financial statements of the Company have been extracted by the management from the audited financial statements of the Company for the years ended on March 31, 2017, 2016, 2015, 2014, and 2013.
5. In accordance with the requirements of the Act including the rules made there under, ICDR Regulations, Guidance Note and engagement letter, we report that:
  - (i) The “**restated statement of asset and liabilities**” of the Company as at March 31, 2017, 2016, 2015, 2014, and 2013 examined by us, as set out in **Annexure I** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
  - (ii) The “**restated statement of profit and loss**” of the Company for the financial year ended on March 31, 2017, 2016, 2015, 2014, and 2013 examined by us, as set out in **Annexure II** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments

and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.

(iii) The “**restated statement of cash flows**” of the Company for the financial year ended on March 31, 2017, 2016, 2015, 2014, and 2013 examined by us, as set out in **Annexure III** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to restated summary statements to this report.

(iv) *As per Accounting Standard- 15: Employee Benefits issued by the Institute of Chartered Accountants of India, Company is required to assess its gratuity liability each year on the basis of actuarial valuation and make provision for gratuity liability. However, the company has not provided for gratuity liability.*

6. Based on our examination, we are of the opinion that the restated financial statements have been prepared:
  - a) using consistent accounting policies for all the reporting periods.
  - b) adjustments for prior period and other material amounts in the respective financial years to which they relate.
  - c) there are no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments.
  - d) there are no audit qualifications in the audit reports issued by the statutory auditors for the financial year ended on March 31, 2017, 2016, 2015, 2014, and 2013 which would require adjustments in the restated financial statements of the Company.
7. This restated financial information have been extracted by the management from the financial year ended on 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013 audited by M/s Loonia & Associates, for the year ended 31<sup>st</sup> March, 2017 and by M/s DSNT & Associates for the year ended 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, and by M/s Daxesh Shah & Associates for the year ended 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March 2013.
8. We have also examined the following other financial information relating to the Company prepared by the management and as approved by the board of directors of the Company and annexed to this report relating to the Company for the financial year ended on March 31, 2017, 2016, 2015, 2014, and 2013 proposed to be included in the Draft Prospectus / Prospectus (“**Offer Document**”).

#### **Annexure to restated financial statements of the Company:-**

- i) Statement of Accounting Policies and Notes to Accounts as appearing in Annexure – IV
- ii) Statement of Notes to Share Capital as appearing in Annexure – V
- iii) Statement of Reserves and Surplus as appearing in Annexure – VI
- iv) Statement of Long Term Borrowings as appearing in Annexure – VII
- v) Statement of Deferred Tax Assets / Liabilities as appearing in Annexure – VIII
- vi) Statement of Short Term Borrowing as appearing in Annexure –IX
- vii) Statement of Trade Payable & Other Current Liabilities as appearing in Annexure – X
- viii) Statement of Short Term Provisions as appearing in Annexure – XI
- ix) Statement of Long Term Loans & Advances as appearing in Annexure – XII
- x) Statement of Trade Receivables as appearing in Annexure – XIII
- xi) Statement of Short Term Loans & Advances as appearing in Annexure – XIV
- xii) Statement of Fixed Assets as appearing in Annexure – XV
- xiii) Statement of Revenue from Operations as appearing in Annexure – XVI
- xiv) Statement of Other Income as appearing in Annexure – XVII
- xv) Statement of Finance Cost as appearing in Annexure – XVIII
- xvi) Statement of Contingent Liabilities as appearing in Annexure – XIX
- xvii) Statement of Dividend Paid as appearing in Annexure – XX
- xviii) Statement of Capitalization as appearing in Annexure – XXI

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- xix) Statement of Related Party Transactions as appearing in Annexure – XXII  
xx) Statement of Accounting Ratios as appearing in Annexure – XXIII  
xxi) Statement of Tax Shelters as appearing in Annexure – XXIV
9. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
11. Our report is intended solely for use of the management and for inclusion in the offer document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

**For, Loonia & Associates**  
**Chartered Accountants**

**Sd/-**  
**Hitesh Loonia**  
**Proprietor**  
**Membership No. 135424**  
**Firm Reg. No. 130883W**

**Place: Ahmedabad**  
**Date: 20.04.17**

ANNEXURE I - SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED								
(Rs. in Lacs)								
Particulars				As at March 31st				
				2017	2016	2015	2014	2013
I.	EQUITY AND LIABILITIES							
1	Shareholders' funds							
	(a)	Share capital		508.70	283.70	283.70	10.00	10.00
	(b)	Reserves and surplus		31.69	(50.85)	(20.66)	(15.58)	0.31
	.							
	Share application Money pending for allotment			-	-	-	-	-
	.							
2	Non-current liabilities							
	(a)	Long-term borrowings		-	-	87.59	425.47	96.01
	(b)	Deferred tax liabilities (Net)		-	-	-	-	-
	(c)	Other Long term liabilities		-	-	-	-	-
3	Current liabilities							
	(a)	Short-term borrowings		-	1.25	-	-	-
	(b)	Trade payables		77.75	43.97	224.47	231.32	263.93
	(c)	Other current liabilities		2.21	-	-	-	-
	(d)	Short-term provisions		7.75	13.18	4.85	6.79	1.15
	TOTAL			628.10	291.25	579.95	658.00	371.40
II.	ASSETS							
1	Non-current assets							
	(a)	Fixed assets						
		(i)	Tangible assets	85.87	5.01	83.26	96.27	-
		(ii)	Intangible assets	-	-	-	-	-
	(b)	Non-current investments		-	-	-	-	-
	(c)	Deferred Tax Assets ( Net)		2.18	2.68	6.40	7.96	-
	(d)	Long-term loans and advances		72.09	12.32	222.77	260.78	80.70
	(e)	Other non-current assets		-	-	-	-	-
2	Current assets							
	(a)	Inventories		142.78	114.48	225.08	257.00	253.92
	(b)	Trade receivables		36.14	16.03	20.26	18.30	-
	(c)	Cash and cash equivalents		287.71	30.33	11.09	6.03	7.21
	(d)	Short-term loans and advances		0.54	107.25	2.64	11.67	29.57
	(e)	Other Current Assets		0.79	3.14	8.44	-	-
	TOTAL			628.10	291.25	579.95	658.00	371.40

ANNEXURE II - SUMMARY STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED						
(Rs. in Lacs)						
Particulars		As At 31st March				
		2017	2016	2015	2014	2013
I.	Revenue from operations	1,134.02	344.74	512.50	501.84	7.46
II.	Other income	8.42	0.39	-	-	-
III.	<b>Total Revenue (I + II)</b>	<b>1,142.45</b>	<b>345.13</b>	<b>512.50</b>	<b>501.84</b>	<b>7.46</b>
IV.	<b>Expenditure</b>					
	Purchases	1,047.71	151.76	323.50	378.08	259.69
	Changes in inventories of finished goods	(28.30)	110.60	31.91	(3.08)	(253.92)
	Employee benefits expense	43.02	49.04	74.51	63.32	0.88
	Finance costs	1.71	1.45	7.67	35.68	0.01
	Depreciation and amortization expense	4.17	6.07	20.54	13.46	-
	Other expenses	33.45	52.67	57.88	38.24	0.34
	<b>Total expenses</b>	<b>1,101.77</b>	<b>371.60</b>	<b>516.02</b>	<b>525.69</b>	<b>6.99</b>
V.	<b>Profit Before Tax ( III - IV)</b>	<b>40.68</b>	<b>(26.47)</b>	<b>(3.52)</b>	<b>(23.85)</b>	<b>0.46</b>
VI	<b>Tax expense:</b>					
	(1) Current tax	2.63	-	-	-	0.15
	(2) Deferred tax	0.51	3.71	1.56	(7.96)	-
		3.15	3.71	1.56	(7.96)	0.15
VII	<b>Profit (Loss) for the period (V- VI)</b>	<b>37.53</b>	<b>(30.18)</b>	<b>(5.08)</b>	<b>(15.89)</b>	<b>0.31</b>
	<b>Less:</b>					
	Transferred to General Reserve	-	-	-	-	-
	<b>Amount to be transferred to P &amp; L A/c</b>	<b>37.53</b>	<b>(30.18)</b>	<b>(5.08)</b>	<b>(15.89)</b>	<b>0.31</b>

ANNEXURE III - CASH FLOW STATEMENT, AS RESTATED						
(Rs. In Lacs)						
Sr. No.	Particulars	As At 31st March				
		2017	2016	2015	2014	2013
A.	<b>CASH FLOW FROM OPERATING ACTIVITIES:-</b>					
	Net Profit before Tax as per Profit & Loss Account	40.68	(26.47)	(3.52)	(23.85)	0.46
	Adjusted for:					
	Depreciation and Amortisation Expenses	4.17	6.07	20.54	13.46	-
	Interest Income	(8.31)	(7.89)	(3.60)	(7.99)	-
	Finance Costs	1.71	1.45	7.67	35.68	0.01
	Operating Profit before Working Capital Changes	38.25	(26.84)	21.09	17.30	0.48
	Adjusted for:					
	Trade Receivables	(20.11)	4.23	(1.97)	(18.30)	-
	Inventories	(28.30)	110.60	31.91	(3.08)	(253.91)
	Short Term loans & Advances	106.71	(104.61)	0.60	17.89	(29.57)
	Long Term Loans & Advances	(59.77)	210.45	38.01	(180.08)	(80.70)
	Other Current Assets	2.35	5.28	-	-	
	Trade Payable, Other Current Liabilities & Provisions	28.07	(172.18)	(8.79)	(26.97)	264.92
	Cash Generated From Operations	67.20	26.94	80.86	(193.24)	(98.780)
	Taxes Paid	-	-	-	-	-
	<b>Net Cash from Operating Activities</b>	<b>67.20</b>	<b>26.94</b>	<b>80.86</b>	<b>(193.24)</b>	<b>(98.78)</b>
B.	<b>CASH FLOW FROM INVESTING ACTIVITIES:-</b>					
	Purchase of Fixed Assets	(85.18)	(0.12)	(7.54)	(109.72)	-
	Proceeds from sale of Fixed Assets	-	72.31	-	-	-
	Interest Income	8.31	7.89	3.60	7.99	-
	<b>Net Cash ( used in) Investing Activities</b>	<b>(76.87)</b>	<b>80.08</b>	<b>(3.94)</b>	<b>(101.73)</b>	<b>-</b>
C.	<b>CASH FLOW FROM FINANCING ACTIVITIES:-</b>					
	Proceeds from Issue of Share Capital	225.00		273.70	-	10.00
	Proceeds from Long Term Borrowings ( Net)	-	(87.59)	(337.89)		96.01
	Short Term Borrowings ( Net)	(1.25)	1.25	-	329.46	-
	Increase in Securities Premium Account	45.00	-	-	-	-
	Finance Cost	(1.71)	(1.45)	(7.67)	(35.68)	(0.01)
	<b>Net Cash ( used in)/ from Financing Activities</b>	<b>267.04</b>	<b>(87.79)</b>	<b>(71.85)</b>	<b>293.78</b>	<b>106.00</b>
D.	<b>Net Increase in Cash or Cash Equivalents ( A + B +C )</b>	<b>257.38</b>	<b>19.23</b>	<b>5.06</b>	<b>(1.19)</b>	<b>7.21</b>
E.	<b>Opening Balance of Cash and Cash Equivalents</b>	<b>30.33</b>	<b>11.09</b>	<b>6.03</b>	<b>7.21</b>	<b>-</b>
	<b>Closing Balance of Cash and Cash Equivalents ( D + E )</b>	<b>287.71</b>	<b>30.33</b>	<b>11.09</b>	<b>6.03</b>	<b>7.21</b>

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**Annexure – IV: Significant Accounting Policies & Notes to Accounts****A. Basis of Preparation of Financial Statements**

- a) The financial statements are prepared under historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act 2013 as adopted consistently by the Company.
- b) Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles followed by the Company.

**B. Revenue Recognition :**

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from Operations include sale of goods. Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

**C. Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

**D. Fixed Assets**

Fixed assets are stated at the cost net of recoverable taxes and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including financial cost till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rates variations attributable to the fixed asset are capitalized.

**E. Depreciation**

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, and 2013.

**F. Borrowing Cost**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as a part of cost of such assets. A qualifying asset is a one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

**G. Inventories**

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other cost including overheads incurred in bringing them to their respective present location and condition.

**H. Investments**

Current investments are carried at lower of cost & net realizable value. Long term (noncurrent) investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

I. 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 profit that originate in one period and are capable of reversal in one or more subsequent periods.

J. Extraordinary Items

The extraordinary items are incomes or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the enterprise and therefore, are not expected to recur frequently or regularly. The nature and amount of each extraordinary item are identified and disclosed in the Statement of Profit and Loss in a manner that its impact on current profit or loss can be perceived.

K. Provision and Contingent Liabilities

A provision is recognized when the company has a present obligation as a result of a past event and it is probable that an outflow of resources would be required to settle the obligation and in respect of which a reliable estimate can be made. A disclosure of the contingent liability, if determinable, is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. But where is a possible obligation but the likelihood of outflow of resources is remote, no provision / disclosure is made.

L. Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

M. 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.

N. 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.

O. 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. Retirement benefits to employees if any will be accounted for as and when paid.

P. Earning Per Share

In determining the Earnings Per share, the company considers the net profit after tax includes any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.



The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares, or share split the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

**Q. Change in Accounting Policies in the year covered in Restated Financials**

There is no change in significant accounting policies during the reporting period. Further Accounting Policies has been changed as and when Accounting Standards issued by the Institute of Chartered Accountants of India / Companies (Accounting Standard) Rules, 2006 were made applicable on the relevant dates.

**Notes to financial statements**

**1. Segment Reporting**

The Company operates only in one reportable business segment namely trading in Textile and kids garment. Hence, there are no reportable segment under AS – 17. The conditions prevailing in India being uniform no separate geographical disclosures are considered necessary.

2. In the opinion of the management of the Company, the Current Assets & Loan and Advances have a value on realization in the ordinary course in the Balance Sheet and provision for all known liabilities have been made in the accounts except as stated otherwise.

3. Balances whether in credit or debit are subject to confirmation of parties concerned.

**Adjustments having no impact on Profit**

**Material Regrouping**

W.e.f, April 1 2014, Schedule III notified under the Companies Act, 2013 has become applicable to the Company for preparation and presentation of its financial statements. Revised Schedule VI notified under the Companies Act, 1956, for preparation and presentation of its financial statements. The adoption of Schedule III / Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements.

There is no significant impact on the presentation and disclosures made in the financial statements on adoption of Schedule III as compared to Revised Schedule VI. Appropriate adjustments have been made in the Restated Summary Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

ANNEXURE V: STATEMENT OF SHARE CAPITAL, AS RESTATED					
(Rs. in Lacs)					
Particulars	As At 31st March				
	2017	2016	2015	2014	2013
<b>Authorised</b>					
Equity Shares of Rs. 10/- each	700.00	300.00	300.00	10.00	10.00
<b>Issued</b>					
Equity Shares of Rs. 10/- each	508.70	283.70	283.70	10.00	10.00
Less: Calls in Arrears	-	-	-	-	-
	508.70	283.70	283.70	10.00	10.00
<b>Subscribed &amp; Paid up</b>					
Equity Shares of Rs. 10/- each fully paid	508.70	283.70	283.70	10.00	10.00
<b>Total</b>	<b>508.70</b>	<b>283.70</b>	<b>283.70</b>	<b>10.00</b>	<b>10.00</b>

Reconciliation of equity shares outstanding is set out below					
.					
Equity Shares	As at 31st March				
	2017	2016	2015	2014	2013
Shares outstanding at the beginning of the year	2,837,000	2,837,000	100,000	100,000	-
Add: Shares issued during the year	2,250,000	-	2,737,000	-	100,000
Less: Buy Back/ Forfeited Shares	-	-	-	-	-
Shares outstanding at the end of the year	5,087,000	2,837,000	2,837,000	100,000	100,000

The details of shareholder holding more than 5% shares is set out below:										
.										
Name of Shareholder	As at 31st March 2017		As at 31st March 2016		As at 31st March 2015		As at 31st March 2014		As at 31st March 2013	
	Number of equity shares	% of holding	Number of equity shares	% of holding	Number of equity shares	% of holding	Number of equity shares	% of holding	Number of equity shares	% of holding
Pinal Kanchanlal Shah	1,084,860	21.33	161,800	5.70	-	-	5,000	5.00	5,000	5.00
Nutanben Jaykishan Patel	913,140	17.95	341,000	12.02	-	-	10,000	10.00	10,000	10.00
Jaykishan Patel	321,500	6.32	217,300	7.66	453,800	16.00	10,000	10.00	10,000	10.00
Riddhi Shah	391,100	7.69	-	-	-	-	7,000	7.00	5,000	5.00
Snehal K. Shah	352,800	6.94	352,800	12.44	471,000	16.60	5,000	5.00	5,000	5.00
Pinal K. Shah HUF	321,500	6.32	-	-	-	-	-	-	-	-
Jaykishan Patel HUF	321,500	6.32	-	-	-	-	-	-	-	-
Chandrika K Shah	336,300	6.61	-	-	-	-	-	-	-	-
Shila C. Shah	-	-	-	-	302,400	10.66	5,000	5.00	5,000	5.00

Chirag Patel HUF	-	-	-	-	171,000	6.03	-	-	-	-
Dineshbhai Patel HUF	-	-	-	-	145,400	5.13	-	-	-	-
Kaushal Shah	-	-	-	-	-	-	5,000	5.00	5,000	5.00
Pragnesh Shah	-	-	-	-	-	-	5,000	5.00	5,000	5.00
<b>Total</b>	<b>4,042,700</b>	<b>79.47</b>	<b>1,072,900</b>	<b>37.82</b>	<b>1,543,600</b>	<b>54.42</b>	<b>52,000</b>	<b>52.00</b>	<b>50,000</b>	<b>50.00</b>

ANNEXURE VI: STATEMENT OF RESERVE AND SURPLUS, AS RESTATED					
(Rs. in Lacs)					
Particulars	As at 31st March				
	2017	2016	2015	2014	2013
<b>a. Securities Premium Account</b>					
Opening Balance	-	-	-	-	-
Add : Securities premium credited on Share issue	45.00	-	-		
Less : Premium Utilised for various reasons	-				
Issuing bonus shares	-	-			
Closing Balance	45.00	-	-	-	-
<b>b. Surplus/ ( Deficit) in Profit &amp; Loss A/c</b>					
Opening balance	(50.85)	(20.66)	(15.58)	0.31	-
(+) Net Profit For the current year	37.53	(30.18)	(5.08)	(15.89)	0.31
(-) Transfer to Reserves	-	-	-	-	-
Closing Balance	(13.31)	(50.85)	(20.66)	(15.58)	0.31
<b>Total ( a + b)</b>	<b>31.69</b>	<b>(50.85)</b>	<b>(20.66)</b>	<b>(15.58)</b>	<b>0.31</b>

ANNEXURE VII: STATEMENT OF LONG TERM BORROWINGS, AS RESTATED					
(Rs. in Lacs)					
Particulars	As at 31st March				
	2017	2016	2015	2014	2013
<b>Secured</b>					
(a) From banks	-	-	-	-	-
(b) From Other Parties	-	-	-	-	-
<b>Unsecured</b>					
(a) Loans & Advances from Directors/ Related Party	-	-	87.59	425.47	96.01
<b>Total</b>	<b>-</b>	<b>-</b>	<b>87.59</b>	<b>425.47</b>	<b>96.01</b>

ANNEXURE VIII STATEMENT OF DEFERRED TAX LIABILITY/ ( ASSETS) , AS RESTATED					
(Rs. in Lacs)					
Long Term Borrowings	As at 31st March				
	2017	2016	2015	2014	2013
<b>Deferred Tax Liability</b>					
Related to others	-	-	-	-	-
Related to Fixed Assets	-	-	-	-	-
	-	-	-	-	-

<b>Deferred Tax Assets</b>					
<b>Opening Balance</b>	2.68			-	-
Related to Fixed Assets	0.51	1.15	2.85	0.59	-
Related to others	-	1.53	3.55	7.37	-
<b>Total</b>	<b>2.17</b>	<b>2.68</b>	<b>6.40</b>	<b>7.96</b>	<b>-</b>

<b>ANNEXURE IX : STATEMENT OF SHORT TERM BORROWINGS, AS RESTATED</b>					
<b>(Rs. in Lacs)</b>					
<b>Particulars</b>	<b>As at 31st March</b>				
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Secured</b>					
<b>(a) Working Capital Loans</b>					
From Banks	-	-	-	-	-
<b>Unsecured</b>					
<b>(a) Loan &amp; advances from related</b>	-	1.25	-	-	-
<b>Total</b>	<b>-</b>	<b>1.25</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>ANNEXURE X: STATEMENT OF TRADE PAYABLE AND OTHER CURRENT LIABILITIES, AS RESTATED</b>					
<b>(Rs. in Lacs)</b>					
<b>Particulars</b>	<b>As at 31st March</b>				
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>TRADE PAYABLES</b>					
Micro, Small and Medium Enterprises	9.48	37.36	220.88	226.76	-
Others	68.27	6.61	3.59	4.56	263.93
<b>Total</b>	<b>77.75</b>	<b>43.97</b>	<b>224.47</b>	<b>231.32</b>	<b>263.93</b>
<b>OTHER CURRENT LIABILITIES</b>					
Other Current Liabilities	2.21	-	-	-	-
<b>Total</b>	<b>2.21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>ANNEXURE XI: STATEMENT OF SHORT TERM PROVISIONS, AS RESTATED</b>					
<b>(Rs. in Lacs)</b>					
<b>Particulars</b>	<b>As at 31st March</b>				
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>(a) Provision for employee benefits</b>					
Salary & Reimbursements	3.62	3.91	3.08	2.66	0.87
	3.62	3.91	3.08	2.66	0.87
<b>(b) Others</b>					
(i) Provision for tax	2.50			-	0.15
(ii) Provision for statutory liabilities	1.13	8.69	1.15	3.81	-
(ii) Provision - others	0.51	0.57	0.62	0.33	0.13
	4.14	9.27	1.78	4.13	0.28
<b>Total ( a + b)</b>	<b>7.75</b>	<b>13.18</b>	<b>4.85</b>	<b>6.79</b>	<b>1.15</b>

<b>ANNEXURE XII: STATEMENT OF LONG TERM LOANS &amp; ADVANCES, AS RESTATED</b>					
<b>(Rs. in Lacs)</b>					
<b>Particulars</b>	<b>As at 31st March</b>				
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>a. Security Deposits</b>					
Unsecured, considered good	13.80	12.32	222.54	259.98	80.00
Less: Provision for doubtful deposits	-	-	-	-	-
<b>Total (a)</b>	<b>13.80</b>	<b>12.32</b>	<b>222.54</b>	<b>259.98</b>	<b>80.00</b>
<b>b. Others ( Advances recoverable in cash or in kind)</b>					
Unsecured, considered good	58.29	-	0.23	0.81	0.70
Less: Provision for doubtful loan & advances					
<b>Total (b)</b>	<b>58.29</b>	<b>-</b>	<b>0.23</b>	<b>0.81</b>	<b>0.70</b>
<b>Total ( a + b)</b>	<b>72.09</b>	<b>12.32</b>	<b>222.77</b>	<b>260.78</b>	<b>80.70</b>
There are no beneficiaries of Long Term Loans and Advances of the Company who are in any way related to the promoters/ directors/ promoters group of the Company as on 31st March, 2017					

<b>ANNEXURE XIII : STATEMENT OF TRADE RECEIVABLES, AS RESTATED</b>					
<b>(Rs. in Lacs)</b>					
<b>Particulars</b>	<b>As at 31st March</b>				
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Outstanding for a period less than six months from the date they are due for payment					
Unsecured, considered good	20.11	-	4.24	18.30	-
Less: Provision for doubtful debts	-	-	-	-	-
<b>Total</b>	<b>20.11</b>	<b>-</b>	<b>4.24</b>	<b>18.30</b>	<b>-</b>
Outstanding for a period exceeding six months from the date they are due for payment					
Unsecured, considered good	16.03	16.03	16.03	-	-
<b>Total</b>	<b>36.14</b>	<b>16.03</b>	<b>20.26</b>	<b>18.30</b>	<b>-</b>

<b>ANNEXURE XIV : STATEMENT OF SHORT TERM LOANS AND ADVANCES, AS RESTATED</b>					
<b>(Rs. in Lacs)</b>					
<b>Particulars</b>	<b>As at 31st March</b>				
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>(a) Capital Advances</b>					
Unsecured, considered good	-	-	-	-	-
<b>(b) Advance recoverable in cash or in kind</b>					
Unsecured, considered good	0.49	106.99	-	-	-
<b>(c) Prepaid expenses</b>	0.05	0.07	0.13	0.14	-
<b>(d) Advance to suppliers</b>	-	-	-	-	-
Unsecured, considered good					
<b>(e) Advance income tax - Unsecured, considered good</b>	-	-	0.56	-	-

(f) Others	-	0.20	1.95	11.54	29.57
<b>Total ( a + b+c+d+e+f)</b>	<b>0.54</b>	<b>107.25</b>	<b>2.64</b>	<b>11.67</b>	<b>29.57</b>

ANNEXURE XV : STATEMENT OF FIXED ASSETS, AS RESTATED					
(Rs. in Lacs)					
Particulars	As at 31st March				
	2017	2016	2015	2014	2013
Air Conditioner	16.53	0.07	0.13	-	-
Software Expenses	0.22	0.24	0.29	-	-
Furniture and Fixtures	53.13	4.51	80.47	91.482	-
Plant & Machinery	0.16	0.17	0.20	0.143	-
Printer	0.50	-	-	-	-
Electric Material & Fitting	12.00	-	-	-	-
Computer	3.00	-	0.58	1.872	-
CCTV Camera	0.10	-	0.44	0.853	-
Bar Code Machine	0.19	-	-	-	-
Mobile	0.02	0.02	0.04	0.075	-
I-pad	-	-	0.40	0.449	-
Sewing Machine	-	-	0.08	0.166	-
Music System	-	-	0.62	1.225	-
<b>Total ( a + b+c+d+e+f)</b>	<b>85.87</b>	<b>5.01</b>	<b>83.26</b>	<b>96.27</b>	<b>-</b>

ANNEXURE XVI : STATEMENT OF REVENUE FROM OPERATIONS, AS RESTATED					
(Rs. in Lacs)					
Particulars	As at 31st March				
	2017	2016	2015	2014	2013
<b>Revenue from Operations</b>					
<b>Sale of Products</b>					-
Trading Goods Sales - Retail Invoice	886.47	36.70	20.80	15.86	0.89
Trading Goods Sales - Tax Invoice	246.25	278.88	419.84	439.82	6.32
<b>Other Operating Revenue</b>					
Interest Income	-	7.51	3.60	7.99	0.25
Discount	1.30	-	-	-	-
Commission Income	-	21.65	67.29	35.53	-
Other Operating Revenue	-	-	0.97	2.64	-
<b>Total</b>	<b>1,134.02</b>	<b>344.74</b>	<b>512.50</b>	<b>501.84</b>	<b>7.46</b>

ANNEXURE XVII : STATEMENT OF OTHER INCOME, AS RESTATED					
(Rs. in Lacs)					
Particulars	As at 31st March				
	2017	2016	2015	2014	2013
Interest Income					
(i) On account of Income Tax Refund	0.13	0.39	-	-	-
(ii) On account of Fixed Deposit with Banks	1.27	-	-	-	-
(iii) On account of Advances & Security Deposit	6.91	-	-	-	-
Other Miscellaneous Income	0.11	-	-	-	-
<b>Total</b>	<b>8.42</b>	<b>0.39</b>	<b>-</b>	<b>-</b>	<b>-</b>

ANNEXURE XVIII: STATEMENT OF FINANCE COST, AS RESTATED					
(Rs. in Lacs)					
Particulars	As at 31st March				
	2017	2016	2015	2014	2013
Interest expense					
(i) Borrowings	0.72	1.39	6.67	34.95	-
(ii) On Deposits	-	-	-	-	-
(iii) Others	-	-	0.04	0.07	
Other borrowing costs - Bank Charges	0.99	0.06	0.96	0.66	0.01
<b>Total</b>	<b>1.71</b>	<b>1.45</b>	<b>7.67</b>	<b>35.68</b>	<b>0.01</b>

ANNEXURE XIX : STATEMENT OF CONTINGENT LIABILITIES, AS RESTATED	
The Company do not have any Contingent Liabilities in the year ended on March 31,2017, 2016, 2015, 2014 & 2013	

ANNEXURE XX : STATEMENT OF DIVIDEND PAID, AS RESTATED	
The Company had not declared any Dividend till date.	

ANNEXURE XXI: STATEMENT OF CAPITALISATION , AS RESTATED		
Particulars	Pre-Issue as at 31st March, 2017	Post Issue*
(Rs. in Lacs)		
Borrowings		
Long Term Borrowings	-	-
Short Term Borrowings	-	-
Total Debts	-	-
Shareholders Funds		
Equity Share Capital	508.70	698.30
Free Reserves and Surplus	31.69	354.01
Less:		
Miscellaneous Expenditure not written off	-	-
Total Shareholders Funds	540.39	1,052.31

Long Term Borrowings/ Shareholders Funds Ratio	-	
Total Debts/ Equity Ratio	-	
* The Post Issue Capitalisation Statement assumes that Debt Level of the Company to be same as that of 31st March, 2017		

ANNEXURE XXII : STATEMENT OF RELATED PARTY TRANSACTIONS, AS RESTATED		
<b>(A) Names of Related Parties :</b>		
<b>1. Key Management Personnel:</b>		
Mr. Pinnal Shah		Managing Director
Mrs. Riddhi Shah		Director
Mrs. Nutan J. Patel		Director ( Resigned w.e.f 24.01.2017)
Mr. Dinesh Patel		Director ( Resigned w.e.f 02.03.2015)
Mr. Pragnesh Shah		Director ( Resigned w.e.f 02.03.2015)
Ms. Shaili Mehta		Company Secretary
Mr. Kunjal Panchal		CFO
<b>2. Relative of Key Management Personnel :</b>		
<b>Relative of Pinnal Shah &amp; Riddhi Shah</b>		
Chandrika K Shah		Relative
Snehal K Shah		Relative
<b>Relative of Nutan J Patel</b>		
Jaykishan Patel		Relative
Chandrika Patel		Relative
Shantibhai Patel		Relative
<b>Relative of Dinesh Patel</b>		
Dinesh Patel HUF		HUF
Chirag D Patel HUF		HUF
Chirag Patel		Relative
Hansaben Patel		Relative
Milly Patel		Relative
<b>Relative of Pragnesh Shah</b>		
Darshit Modi		Relative
Mona Shah		Relative
Naishal Shah		Relative
Rakesh Shah		Relative
Smita Shah		Relative
<b>3. Associates/ Enterprises over which Directors and/or their Relatives having Significant Influence :</b>		
7NR Inc		Partnership firm of Director
Indian Look		Partnership firm of Director

<b>(B) Details of Related Party Transactions:</b>						
<b>(Rs. in Lacs)</b>						
Sr. No.	Nature of Transaction/ Name of Related Party	As on March 31st				
		2017	2016	2015	2014	2013
<b>A</b>	<b>Remuneration / Salary Paid</b>					
	Pinnal Shah	4.25	3.75	4.80	6.40	0.24
	Riddhi Shah	4.10	3.75	4.80	3.20	
	Nutan J Patel	3.12	1.56	-	-	-
	Shaili Mehta	0.37	-	-	-	-
	Kunjal Panchal	0.19	-	-	-	-



<b>B</b>	<b>Interest Given</b>					
	Pinnal Shah	-	0.40	2.87	0.91	-
	Riddhi Shah	-	0.19	1.07	3.69	-
	Nutan J Patel	-	0.79	2.73	2.00	-
	Dinesh Patel	NA	NA	NA	0.26	-
	Dinesh Patel HUF	NA	NA	NA	1.28	-
<b>C</b>	<b>Transaction During the Year</b>					
	Pinnal Shah	4.36	23.10	18.57	19.87	20.31
	Riddhi Shah	4.10	28.98	2.87	29.02	-
	Nutan J Patel	3.83	44.56	16.95	27.90	-
	Shaili Mehta	5.00	-	-	-	-
	Kunjali Panchal	0.19	-	-	-	-
	Chirag Patel	-	-	0.4	-	-
	Dinesh Patel HUF	-	-	2.00	17.03	
	Dinesh Patel	-	-	-	3.65	17.00
	Hansaben Patel	-	-	-	11.86	
	Shantibhai Patel	-	-	-	24.20	
	Milly Patel	-	-	-	1.97	
	Chandresh Shah	-	-	-		6.50
	Jaykishan Patel	-	-	5.50	44.11	8.00
	Darshita Modi	-	-	-	1.51	-
	Mona Shah	-	-	-	9.41	-
	Naishal Shah	-	-	-	16.59	-
	Rakesh Shah	-	-	-	9.97	-
	Smita Shah	-	-	-	18.87	-
	Snehal K Shah	-	-	-	46.95	-
	Chandrika Patel	-	-	-	13.48	-
	Chandrika K Shah	-	-	3.00	1.62	-
	Pinal Shah HUF	-	-	16.00		-
	Pragnesh Shah HUF	-	-	2.00		-
	Pragnesh Shah	-	-	2.00	1.46	6.00
<b>C</b>	<b>Outstanding Balance as on Year End as Unsecured Loan</b>					
	Pinnal Shah	-	0.36	19.35	11.89	2.11
	Riddhi Shah	-	0.17	25.23	46.65	18.20
	Chandrika K Shah	-	-	-	1.60	-
	Snehal K Shah	-	-	-	46.60	-
	Nutan Patel	-	0.71	42.99	31.69	4.00
	Jaykishan Patel	-	-	-	47.78	4.00
	Chandrika Patel	-	-	-	13.38	-
	Shantibhai Patel	-	-	-	17.02	-
	Dinesh Patel	-	-	-	4.62	1.00
	Dinesh Patel HUF	-	-	-	17.30	0.40
	Chirag D Patel HUF	-	-	-	16.86	15.60
	Chirag Patel	-	-	-	2.09	-
	Hansaben Patel	-	-	-	11.77	-
	Milly Patel	-	-	-	1.96	-
	Darshit Modi	-	-	-	7.45	6.00
	Mona Shah	-	-	-	8.31	-
	Naishal Shah	-	-	-	9.54	-
	Rakesh Shah	-	-	-	9.89	-
	Smita Shah	-	-	-	10.77	-

	Pragnesh Shah	-	-	-	1.45	-
<b>D</b>	<b>Outstanding Balance as on Year End as Trade Payable</b>					
	7NR Inc	9.48	-	-	-	-
	Indian Look - as USL	-	-	-	-	5.00

ANNEXURE XXIII : STATEMENT OF ACCOUNTING RATIOS, AS RESTATED						
Sr. No	Particulars	As on March 31st				
		2017	2016	2015	2014	2013
A.	Net Worth as per Balance Sheet (Rs. In lacs)	540.39	232.76	262.86	(5.86)	6.51
B.	Profit/(Loss) after Tax as per Balance Sheet	37.53	(30.18)	(5.08)	(15.89)	0.31
C.	Weighted Average Number of Equity Shares outstanding during the Year	3,071,247	2,837,000	107,499	100,000	100,000
D.	Adjusted Earning Per Share (Rs.) (B/C)	1.22	(1.06)	(4.73)	(15.89)	0.31
E.	Number of Equity Shares outstanding at the end of Year	5,087,000	2,837,000	2,837,000	100,000	100,000
F.	Net Assets Value (Rs.) (A/E)	10.62	8.20	9.27	(5.86)	6.51
G.	Return on Net Worth (%) (B/A)	6.95%	(12.97%)	(1.93%)	271.04%	4.76%

Notes:-	
1	An Earning Per Share is Calculated in accordance with Accounting Standards 20 "Earning Per Share" issued by Institute of Chartered Accountants of India. In terms of Para 24 of AS - 20, the number of Equity Shares outstanding before the issue of Bonus Shares is adjusted for the change in number of Equity Shares issued as bonus shares as if the shares were issued at the beginning of earliest reported period.
2	The above Ratios have been calculated based on Restated Financial Statements.
3	The E.P.S. calculated above is not in conformity with Audit Report of respective Financial Year due to change in the calculation of weighted average number of shares as mentioned below:

Financial Year ended on	E.P.S. as per Audit Report (Rs.)	Adjusted E.P.S. as per Financial Statement Restated (Rs.)
31.03.2013	0.31	0.31
31.03.2014	(15.89)	(15.89)
31.03.2015	(0.18)	(4.73)
31.03.2016	(1.06)	(1.06)
31.03.2017	1.22	1.22

Calculation of Weighted Average Number of Shares during the Year						
Sr. No	Particulars	As on March 31st				
		2017	2016	2015	2014	2013
A	Total Number of Equity Share outstanding at the beginning of the year	2,837,000	2,837,000	100,000	100,000	100,000
B	<b>Equity Shares issued during the year</b>					
i.	30.03.2015( Fresh Equity Shares issued of Face Value & Paid Up of Rs. 10/- each)	-		2,737,000	-	-
ii.	21.02.2017 ( Fresh Equity Shares issued of	2,250,000	-	-	-	-

	Face Value & Paid Up of Rs. 10/- each)					
	<b>Total Equity Shares at the end of the year (A +B)</b>	<b>5,087,000</b>	<b>2,837,000</b>	<b>2,837,000</b>	<b>100,000</b>	<b>100,000</b>
C	Equity Shares in proportion to outstanding days remained during the year	234,247	-	7,499	-	-
D	Bonus Shares issued				-	-
	Weighted Average number of Equity Shares outstanding during the year (A+C+ D)	<b>3,071,247</b>	<b>2,837,000</b>	<b>107,499</b>	<b>100,000</b>	<b>100,000</b>

Calculation of Net Worth, As Restated in Financial Statements					
(Rs. in Lacs)					
Particulars	As on March 31st				
	2017	2016	2015	2014	2013
Share Capital	508.70	283.70	283.70	10.00	10.00
Reserves & Surplus	31.69	(50.85)	(20.66)	(15.58)	0.31
Share Application Money pending for allotment	-	-	-	-	-
<b>Total</b>	<b>540.39</b>	<b>232.85</b>	<b>263.04</b>	<b>(5.58)</b>	<b>10.31</b>
Less: Miscellaneous Expenditure to the extent not w/off	-	0.09	0.18	0.28	3.80
<b>NET WORTH</b>	<b>540.39</b>	<b>232.76</b>	<b>262.86</b>	<b>(5.86)</b>	<b>6.51</b>

ANNEXURE XXIV : STATEMENT OF TAX SHELTER, AS RESTATED					
(Rs. in Lacs)					
Particulars	As on March 31st				
	2017	2016	2015	2014	2013
Normal Corporate Tax Rates	30.90%	30.90%	30.90%	30.90%	30.90%
Minimum Alternate Tax Rates	19.06%	19.06%	19.06%	19.06%	19.06%
<b>A. Profit before tax as per Restated Profit &amp; Loss Statement</b>	<b>40.68</b>	<b>(26.47)</b>	<b>(3.52)</b>	<b>(23.85)</b>	<b>0.46</b>
<b>Adjustments</b>					
<b>B. Permanent Difference</b>					
Disallowed u/s 37	-	29.66	4.72	0.05	-
<b>Total ( B )</b>	<b>-</b>	<b>29.66</b>	<b>4.72</b>	<b>0.05</b>	<b>-</b>
<b>C. Temporary Difference</b>					
Difference between Tax Depreciation and Book Depreciation	(18.15)	3.73	9.22	1.90	-
<b>Total ( C )</b>	<b>(18.15)</b>	<b>3.73</b>	<b>9.22</b>	<b>1.90</b>	<b>-</b>
<b>D. Total Income ( A+B+C)</b>	<b>22.53</b>	<b>6.93</b>	<b>10.42</b>	<b>(21.90)</b>	<b>0.46</b>
Brought Forward Loss set off	4.95	6.53	10.42	-	-
<b>E. Net Taxable Income ( Rounded Off)</b>	<b>17.58</b>	<b>0.39</b>	<b>-</b>	<b>-</b>	<b>0.46</b>

<b>F. Tax Payable as per Normal Tax</b>	<b>5.43</b>	<b>0.13</b>	<b>-</b>	<b>-</b>	<b>0.14</b>
<b>G. Tax as per Minimum Alternate Tax (MAT)</b>	<b>5.66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Tax Payable or MAT whichever is higher</b>	<b>5.66</b>	<b>0.13</b>	<b>-</b>	<b>-</b>	<b>0.14</b>
Tax Provision as Profit & Loss A/c , Restated	2.50	-	-	-	0.15
	-	-	-	-	-
Short / (Excess)Tax Provision	3.16	0.00	-	-	-0.00

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**STATEMENT OF FINANCIAL INDEBTEDNESS**

As on date there are no secured and unsecured borrowings in the Company.

## **MANAGEMENT DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

*You should read the following discussion and analysis of our financial condition and results of operations together with our audited restated financial statements prepared in accordance with paragraph B of Part II of Schedule II to the Companies Act and SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto and the reports thereon of each of the financial years ended March 31, 2013, 2014, 2015 2016 & 2017 in the chapter titled "Financial Information" on page 96 of this Draft Prospectus. The following discussion relates to our Company and, unless otherwise stated, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Accounting Standards and other applicable provisions of the Companies Act and the SEBI (ICDR) Regulations. Our financial year ends on March 31 of each year so accordingly all references to a particular financial year are to the twelve months ended March 31 of that year.*

### **Industry Overview**

#### **The Retail Industry in India**

The Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. It accounts for over 10 per cent of the country's Gross Domestic Product (GDP) and around 8 per cent of the employment. India is the world's fifth-largest global destination in the retail space.

#### **Market Size**

India's retail market is expected to nearly double to US\$ 1 trillion by 2020 from US\$ 600 billion in 2015#, driven by income growth, urbanisation and attitudinal shifts. While the overall retail market is expected to grow at 12 per cent per annum, modern trade would expand twice as fast at 20 per cent per annum and traditional trade at 10 per cent.

India's Business to Business (B2B) e-commerce market is expected to reach US\$ 700 billion by 2020.## Online retail is expected to be at par with the physical stores in the next five years.

India is expected to become the world's fastest growing e-commerce market, driven by robust investment in the sector and rapid increase in the number of internet users. Various agencies have high expectations about growth of Indian e-commerce markets. Indian e-commerce sales are expected to reach US\$ 120 billion! by 2020 from US\$ 30 billion in FY2016. Further, India's e-commerce market is expected to reach US\$ 220 billion in terms of gross merchandise value (GMV) and 530 million shoppers by 2025, led by faster speeds on reliable telecom networks, faster adoption of online services and better variety as well as convenience@.

India's direct selling industry is expected to reach a size of Rs 23,654 crore (US\$ 3.54 billion) by FY2019-20, as per a joint report by India Direct Selling Association (IDSA).

Indian exports of locally made retail and lifestyle products grew at a compound annual growth rate (CAGR) of 10 per cent from 2013 to 2016.

The size of modern retail in India is expected to double to Rs 171,800 crore (US\$ 25.7 billion) from Rs 87,100 crore (US\$ 13 billion) in three years driven by omni-channel retail.

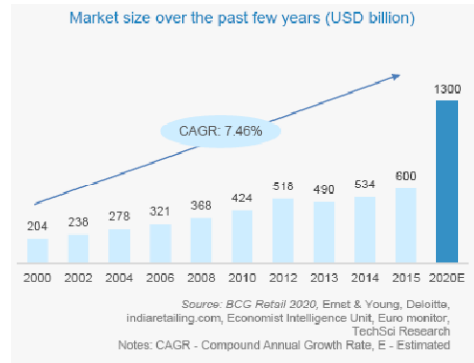
#### **Income Growth to Drive Demand For Organised Retail**

- Multiple drivers are leading to strong growth in Indian retail through a consumption boom
- Significant growth in discretionary income & changing lifestyles are among the major growth drivers of Indian Retail
- Easy availability of credit & use of "plastic money" have contributed to a strong & growing consumer culture in India
- Acceptance and usage of e-retailers by consumers are increasing due to convenience & secured financial transactions.

- Expansion in the size of the upper middle class & advertisement has led to greater spending on luxury products & high brand consciousness.

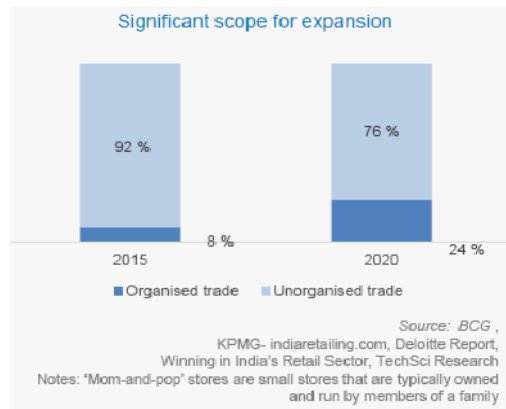
### Strong Growth in the Indian Retail Industry

- The retail sector in India is emerging as one of the largest sector in the Economy.
- The total market size was estimated to be around USD 600 billion in 2015, thereby registering a CAGR of 7.45% since 2000.
- Retail industry is expected to grow to USD 1.3 trillion by 2020, registering growth at a CAGR of 7.46% between 2000-2015.



### Growth for Organised Retail in India

- The Indian Retail market is in its nascent stage; unorganized players accounted for 92 percent of the market during 2015
- There are over 15 million mom and pop stores
- Between FY 15-20, organized retail in India is expected to witness a CAGR of 24.57 percent.
- Organised Retail is expected to account for 24 percent of the overall retail market by 2020.



### Ample Growth Opportunities in Indian Retail Industry

#### Large number of retail outlets

India is the 5<sup>th</sup> largest preferred retail destination globally. The sector is experiencing exponential growth, with retail development taking place not just in major cities and metros, but also in Tier- I and Tier-II cities.

#### Rural markets offer significant growth potential

FMCG players are focusing on rural markets as it accounted for over 40 percent of FMCG consumer base in India in 2016. With increasing investment in infrastructure, retailers, would be able to increase their access to high-growth potential rural markets.

#### Private label opportunities

The organized Indian retail industry has begun experiencing an increased level of activity in the private label space. Private label strategy is likely to play a dominant role as its share in the US & the UK markets is 19 percent & 39 percent, respectively, while its share in India is just 6 percent. Growth of online retail is also augmenting the growth of private label brand in India.

Both organised and unorganised retail companies have to work together to ensure better prospects for the overall retail industry, while generating new benefits for their customers.

Nevertheless, the long-term outlook for the industry is positive, supported by rising incomes, favourable demographics, entry of foreign players, and increasing urbanisation.

### **Business Overview**

We are engaged in the business of trading in kids garments in the retail segment by retailing of brand “Gini & Jony”. With the increase in brand knowledge in the customers there is huge increase in the retail sale of branded clothes under different brands. Our Company has entered into master franchise agreement dated March 01, 2017 with Gini & Jony Limited for operating in the state of Gujarat. Currently we operate and manage four retail stores exclusively for kids apparel brand “Gini & Jony” across the state of Gujarat.

Our Company has been awarded with the title of ‘Excellence Award of the Year from the brand “Gini & Jony” for constant expansion and overall performance of all the outlets across the Gujarat. We have a huge consumer base in Gujarat.

### **Our Competitive Strength**

#### **Experienced Management Team**

Our Company is managed by a team of young and dynamic professionals, having experience in the apparel industry. Mr. Pinal Shah is the Managing Director and also the promoter of the Company. He has been instrumental in establishing relations with the various brands of apparels. He has over nine years of experience in retailing of branded merchandise.

#### **Success through Partnering / Franchising**

We believe that franchising or partnering is the key of expansion for business. Franchise or Partners help brands to gain foothold in unknown territories by bring in their understanding of local market conditions and business expertise. On the other hand, our Company can leverage the brand equity and share the fruits of the brand’s success and grow in the market.

#### **Quality Assurance and Standards**

We always aim to offer quality products to our customers. We believe in providing our customers the best possible quality of garments. As a result of this we only sell the products which are in better quality.

#### **Leveraging our Market Skills and Relationships**

This is a continuous process in our organization and the skill that we impart in our people give importance to customers. We aim to do this by leveraging our marketing skills and relationships and further enhancing customer satisfaction.

#### **Strong Marketing Capacity**

Our core competency lies in our marketing capability and knowledge of the market for readymade garments. We have a marketing team which is led by our Promoter Mr. Pinal Shah. We take continuous efforts by way of market survey, conducting training programs for marketing staff, designing various discount schemes, conducting various events to target the market. Our company is also benefited by the marketing support of the brands viz. advertisements, posters, images, catalogues etc provided by the companies for which we are retailing.



## **Established relationship with various brands, customers and employees**

We have developed a cordial and professional relationship with various brands, by our quality performance and delivery. Our established relationship with customers by our immaculate customer service help us getting repeated customer in retail and whole sale segment. We also enjoy cordial and professional relationships with our employees by maintaining professionalism at work place. We believe that our relationships and professionalism help us to build a strong network of people which in turn help us in our growth path.

## **Our Strategies**

### ***Increase Geographical Presence in Tier I and Tier II cities***

Currently we are operating at four locations in Gujarat. We further intend to establish our presence in the other Tier I and Tier II cities of Gujarat as well as PAN India for various retail brands. Our emphasis is on expanding the scale of our operations in markets which we believe will provide us attractive opportunities to grow our client base and revenues. We also plan to consolidate our presence across all regions in India and also seek to increase our business with our existing customers by offering them apparels that are in line with latest fashion trends and by capitalizing on our relationships with them by offering them at affordable prices.

### ***Introducing retailing more brands***

Currently we are retailing the brand of apparel in kids wear segment. As apparel industry is witnessing bloom in India and the brand awareness has increased amongst people with contemporary lifestyles, we intend to introduce more brands for retailing under the segment Mens wear, Womens wear, Sports wear, Footwear etc.

### ***Continue to develop client relationships and trust***

We plan to grow our business primarily by growing our client relationships and trust. We believe that increased client relationships and trust will add stability to our business. We seek to build on existing relationships and also focus on bringing into our portfolio more clients. We believe that our business is a by-product of relationship and trust. Long-term relations are built on trust and continuous meeting with the requirements of the customers.

## Summary of the Results of Operation

The following table sets forth select financial data from restated profit and loss accounts for the period ended March 31, 2017, 2016, 2015, 2014, and 2013 and the components of which are also expressed as a percentage of total income for such periods.

Particulars	For the period ended March 31,									
	2017	% of Total Income	2016	% of Total Income	2015	% of Total Income	2014	% of Total Income	2013	% of Total Income
<b>INCOME</b>										
Revenue from Operations	1134.02	99.26%	344.74	99.89%	512.5	100.00%	501.84	100.00%	7.46	100.00%
Other Income	8.42	0.74%	0.39	0.11%	0.00	0.00%	0.00	0.00%	0.00	0.00%
<b>Total Income (A)</b>	<b>1142.44</b>	<b>100.00%</b>	<b>345.13</b>	<b>100.00%</b>	<b>512.50</b>	<b>100.00%</b>	<b>501.84</b>	<b>100.00%</b>	<b>7.46</b>	<b>100.00%</b>
<b>EXPENDITURE</b>										
Purchase of Stock in Trade	1047.71	91.71%	151.76	43.97%	323.50	63.12%	378.08	75.34%	259.69	3481.10%
Changes in inventories of finished goods, traded goods and work-in-progress	(28.30)	(2.48%)	110.60	32.05%	31.91	6.23%	-3.08	(0.61%)	(253.92)	(3403.75%)
Employee Benefit Expenses	43.02	3.77%	49.04	14.21%	74.51	14.54%	63.32	12.62%	0.88	11.80%
Finance costs	0.62	0.05%	1.45	0.42%	7.67	1.50%	35.68	7.11%	0.01	0.13%
Depreciation and amortisation expense	4.17	0.37%	6.07	1.76%	20.54	4.01%	13.46	2.68%	0.00	0.00%
Other Expenses	34.54	3.02%	52.67	15.26%	57.88	11.29%	38.24	7.62%	0.34	4.56%
<b>Total Expenses (B)</b>	<b>1101.76</b>	<b>96.44%</b>	<b>371.59</b>	<b>107.67%</b>	<b>516.01</b>	<b>100.68%</b>	<b>525.7</b>	<b>104.75%</b>	<b>7.00</b>	<b>93.83%</b>
<b>Profit before extraordinary items and tax (C)</b>	<b>40.68</b>	<b>3.56%</b>	<b>(26.46)</b>	<b>(7.67%)</b>	<b>(3.51)</b>	<b>(0.68%)</b>	<b>(23.86)</b>	<b>(4.75%)</b>	<b>0.46</b>	<b>6.17%</b>
Extraordinary items	0.00	0.00%	0	0.00%	0	0	0	0	0	0.00%
<b>Profit before tax (D)</b>	<b>40.68</b>	<b>3.56%</b>	<b>(26.46)</b>	<b>(7.67%)</b>	<b>(3.51)</b>	<b>(0.68%)</b>	<b>(23.86)</b>	<b>(4.75%)</b>	<b>0.46</b>	<b>6.17%</b>
<i>Tax expense :</i>										
(i) Current tax	2.63	0.23%	0	0.00%	0	0.00%	0	0.00%	0.15	2.01%
Less: MAT Credit	0.00	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
(ii) Deferred tax	0.51	0.04%	3.71	1.07%	1.56	0.30%	(7.96)	(1.59%)	0	0.00%
(iii) Tax in respect of earlier year	-	-	-	-	-	-	-	-	-	-
<b>Total Tax Expense (E)</b>	<b>3.14</b>	<b>0.27%</b>	<b>3.71</b>	<b>1.07%</b>	<b>1.56</b>	<b>0.30%</b>	<b>(7.96)</b>	<b>(1.59%)</b>	<b>0.15</b>	<b>2.01%</b>
<b>Profit for the year (D-E)</b>	<b>37.54</b>	<b>3.29%</b>	<b>(30.17)</b>	<b>(8.74%)</b>	<b>(5.07)</b>	<b>(0.99%)</b>	<b>(15.90)</b>	<b>(3.17%)</b>	<b>0.31</b>	<b>4.16%</b>

## **Key Components of Our Profit And Loss Statement**

### **Income**

Our total income comprises of revenue from operations and other income.

#### **Revenue from operations**

Our revenue from operations includes revenue from Trading activity; which as a percentage of total income was 99.26%, 99.89%, 100.00%, 100%, and 100% for fiscals 2017, 2016, 2015, 2014 and 2013 respectively.

#### **Other Income**

Our other income includes mainly interest on bank deposits and advances. Other income, as a percentage of total income was 0.74%, 0.11%, 0.00%, 0.00% and 0.00% for fiscals 2017, 2016, 2015, 2014 and 2013 respectively.

### **Expenditure**

Our total expenditure primarily consists of Purchases & Direct Expenses, Employee Benefit Expenses, Finance cost, Depreciation & Amortisation Expenses and Other Expenses.

#### **Purchases**

Costs of Purchases are primarily in relation to purchases of goods for trading and distribution purposes.

#### **Employee benefits expense**

Expenses in relation to employees' remuneration and benefits include salary, bonus, director remunerations and staff welfare expenses, statutory contributions, etc.

#### **Finance Costs**

Finance cost comprises Interest on Indebtedness, bank and other Finance charges.

#### **Depreciation and amortization expenses**

We recognize depreciation and amortization expense on a Written down value method as per the provisions set forth in the Companies Act 2013.

#### **Other expenses**

Other expenses primarily include Rent, Electricity charges, Advertising expenses, Office expenses, Transportation Charges, Administrative Expenses etc.

#### **Provision for Tax**

Income taxes are accounted for in accordance with Accounting Standard – 22 on “Accounting for Taxes on Income” (“AS-22”), prescribed under the Companies (Accounting Standards) Rules, 2006. Our Company provides for current tax as well as deferred tax, as applicable.

Provision for current taxes is made at the current tax rates after taking into consideration the benefits available to our Company under the provisions of the I. T. Act.

Deferred tax arises from the timing differences between book profits and taxable profits that originate in one period and are capable of reversal in one or more subsequent periods and is measured using the tax rates and laws applicable as of the date of the financial statements. Our Company provides for deferred tax asset / liability on such timing differences subject to prudent considerations in respect of deferred tax assets.

**Fiscal 2017 compared with fiscal 2016****Income**

Total income increased by Rs. 797.31 lakhs or 231.02% from Rs. 345.13 lakhs in fiscal 2016 to Rs. 1142.44 lakhs in fiscal 2017. The increase in sales represents increase in trading as well as expansion of retail outlet across Gujarat.

Other income increased by Rs. 8.03 lakhs; from Rs. 0.39 lakhs in fiscal 2016 to Rs. 8.42 lakhs in fiscal 2017. The major factor for such increase was increase in interest income on account of fixed deposit and loans and advances provided in due course of business.

**Purchases**

Our purchases increased by Rs. 895.95 Lakhs or 590.37 %; from Rs. 151.76 Lakhs in fiscal 2016 to Rs. 1047.71 Lakhs in fiscal 2017. The increase was due to increased trading volume which is in connection to increase in sales turnover.

**Employee Benefit Expenses**

Our staff cost decreased by Rs. 6.02 lakhs or (12.28%), from Rs. 49.04 lakhs in fiscal 2016 to Rs. 43.02 lakhs in fiscal 2017. One of the factors responsible for such decrease was decrease of unrequired staff at different outlet and higher working efficiency by the remaining staff.

**Financial Cost**

Financial cost during the year Decreased by Rs. 0.83 lakhs or (57.24%) from Rs. 1.45 lakhs in fiscal 2016 to Rs. 0.62 lakhs in fiscal 2017. The decrease was due to increase of Company's own capital fund.

**Depreciation and Amortization Expenses**

Depreciation and Amortisation expenses decreased by Rs. 1.90 lakhs, from Rs. 6.07 lakhs in fiscal 2016 to Rs. 4.17 lakhs in fiscal 2017. This decrease was on account of normal depreciation calculated as per Straight Line Method which is in line with Companies Act, 2013 during the year.

**Other Expenses**

Other expenses decreased by Rs. 18.13 lakhs or (34.42%) from Rs. 52.67 lakhs in fiscal 2016 to Rs. 34.54 lakhs in fiscal 2017. The major expenses included in Fiscal 2016 under the head Other expenses was Loss on sale of assets amounting to Rs. 28.85 lacs and such an expense is not in Fiscal 2017 and therefore other expenses decreased in Fiscal 2017 as compared to Fiscal 2016.

**Profit before Tax**

Primarily due to increase in Turnover and retail outlet sales, our loss of Rs. (26.46) lakhs in fiscal 2016 turned to profit of Rs. 40.68 lakhs in fiscal 2017.

**Profit after Tax**

After accounting for taxes at applicable rates, our loss of Rs. (30.17) lakhs in fiscal 2016 turned to profit of Rs. 37.54 lakhs in fiscal 2017.

**Fiscal 2016 compared with fiscal 2015****Income**

Our Income decreased by Rs. 167.37 lakhs or (32.66%) from Rs. 512.50 lakhs in fiscal 2015 to Rs. 345.13 lakhs in fiscal 2016. The decrease in sales represents decrease on account of closure of few loss making stores.

## Other Income

Other income increased by Rs. 0.39 lakhs compared to no income from in fiscal 2015. The major factor for such increase was increase in interest income.

## Purchases

Our purchases during the year decreased by Rs. 171.74 Lakhs or (53.09%); from Rs. 323.50 Lakhs in fiscal 2015 to Rs. 151.76 Lakhs in fiscal 2016. The decrease was due to decreased trading volume.

## Employee Benefit Expenses

Our staff cost during the year decreased by Rs. 25.47 lakhs or (34.18%), from Rs. 74.51 lakhs in fiscal 2015 to Rs. 49.04 lakhs in fiscal 2016. One of the factors responsible for such decrease was on account of closure of few loss making stores.

## Financial Cost

Financial cost during the year decreased by Rs. 6.22 lakhs or (81.10%) from Rs. 7.67 lakhs in fiscal 2015 to Rs. 1.45 lakhs in fiscal 2016. The decrease was due to decrease in long term borrowings.

## Depreciation and Amortization Expenses

Depreciation and Amortisation expenses during the year decreased by Rs. 14.47 lakhs, from Rs. 20.54 lakhs in fiscal 2015 to Rs. 6.07 lakhs in fiscal 2016. This decrease was on account of sales of fixed assets of stores closed during the year.

## Other Expenses

Other expenses during the year decreased by Rs. 5.21 lakhs or (9.00%) from Rs. 57.88 lakhs in fiscal 2015 to Rs. 52.67 lakhs in fiscal 2016. The decrease was due to better administration resulting in reduction of costs such as Advertising & Marketing Expenses Professional Charges etc. during this year.

## Profit before Tax

Primarily due to loss of fixed assets amounting to Rs. 28.85 lacs, our loss of Rs. (3.51) lakhs in fiscal 2015 increased to Rs. (26.46) lakhs in fiscal 2016.

## Profit after Tax

After accounting for taxes at applicable rates and on account of loss on sale of fixed assets, our loss Rs. (5.07) lakhs in fiscal 2015 increased to Rs. (30.17) lakhs in fiscal 2016.

## Fiscal 2015 compared with fiscal 2014

### Income

During the year, our total income increased by Rs. 10.66 lakhs or 2.12%, from Rs. 501.84 lakhs in fiscal 2014 to Rs. 512.50 lakhs in fiscal 2015. The increase represents the growth in our sales and operations.

Other income was Nil fiscal 2015 and fiscal 2014.

### Purchases

The purchases during the year, decreased by Rs. 54.58 lakhs or 14.44%, from Rs. 378.08 lakhs in fiscal 2014 to Rs. 323.50 lakhs in fiscal 2015. The above decrease was on account of higher inventory.

### Employee Benefit Expenses

Our staff cost during the year increased by Rs. 11.19 lakhs from Rs. 63.32 lakhs in fiscal 2014 to Rs. 74.51 lakhs in fiscal 2015. This significant increase was mainly due to additional staff being recruited for additional retail outlet opened by Company during the year.

## Financial Cost

Financial cost during the year decreased by Rs. 28.01 lakhs or 78.50% from Rs. 35.68 lakhs in fiscal 2014 to Rs. 7.67 lakhs in fiscal 2015. The decrease was due to induction of promoter own contribution by way of additional share capital.

## Depreciation and Amortization Expenses

Depreciation and Amortisation expenses increased by Rs. 7.08 lakhs, from Rs. 13.46 lakhs in fiscal 2014 to Rs. 20.54 lakhs in fiscal 2015. This increase was on account of normal calculation as per Companies Act, 2013.

## Other Expenses

Other expenses increased by Rs. 19.64 lakhs or 51.36% from Rs. 38.24 lakhs in fiscal 2014 to Rs. 57.88 lakhs in fiscal 2015. The increase was due increase in power and fuel charges, rent expenses, Administrative expenses and Advertising & Marketing expenses.

## Profit before Tax

Due to better management of our overall expenses and corresponding increase in our revenues, our loss of Rs. (23.86) lakhs in fiscal 2014 decreased to loss of Rs. (3.51) lakhs in fiscal 2015.

## Profit after Tax

After accounting for taxes at applicable rates, our loss decreased from Rs. (15.90) lakhs in fiscal 2014 to loss of Rs. (5.07) lakhs in fiscal 2015.

## Fiscal 2014 compared with fiscal 2013

### Income

Our total income significantly increased by Rs. 494.38 lakhs or 6627.08% from Rs. 7.46 lakhs in fiscal 2013 to Rs. 501.84 lakhs in fiscal 2014. The increase represents the growth in our sales and operations being first operational year of business.

Other income for the fiscal year 2014 and in fiscal 2013 was Nil

### Purchases

The purchases in fiscal 2014 increased by Rs. 118.39 or 45.59% i.e. from Rs. 259.69 lakhs in fiscal 2013 to Rs. 378.08 lakhs in fiscal 2014. The above increase was majorly due to increase in our scale of our trading operations.

### Employee Benefit Expenses

Our staff costs during the year increased by Rs. 62.44 lakhs or 7095.45%, from Rs. 0.88 lakhs in fiscal 2013 to Rs. 63.32 lakhs in fiscal 2014. This increase is due to increase in number employees and retail outlet opened during the year.

## Financial Cost

Financial cost during the year increased by Rs. 35.67 lakhs from Rs. 0.01 lakhs in fiscal 2013 to Rs. 35.68 lakhs in fiscal 2014. The increase was mainly due to increase of long term borrowings on account of working capital funds required by the Company.

## Depreciation and Amortization Expense

Depreciation expenses during fiscal 2014 increased by Rs. 13.46 lakhs, as compared to Nil in fiscal 2013 The increase is mainly on account of increase in Fixed Assets.

## Other Expenses

Other Expenses increased by Rs. 37.90 lakhs in fiscal 2014, from Rs. 0.34 lakhs in fiscal 2013 to Rs. 38.24 lakhs in fiscal 2014. The increase was mainly due to increase in turnover and opening of different retail outlets.

## Profit before Tax

Profit before tax Rs. 0.46 lakhs in fiscal 2013 decreased to loss of Rs. (23.86) lakhs in fiscal 2014. This was primarily due to operational business activities started in Fiscal 2014.

## Profit after Tax

After accounting for taxes at applicable rates, our profit after tax decreased from Rs. 0.31 lakhs in fiscal 2013 to loss of Rs. (15.90) lakhs in fiscal 2014.

## INFORMATION REQUIRED AS PER ITEM (2) (IX) (E) (5) OF PART A OF SCHEDULE VIII TO THE SEBI REGULATIONS:

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

- ***Unusual or infrequent events or transactions***

There are no unusual or infrequent events or transactions that have significantly affected operations of the Company.

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

There are no significant economic changes that materially affected Company's operations or are likely to affect income from continuing operations. Any slowdown in the growth of Indian economy or future volatility in global commodity prices, could affect the business, including the future financial performance, shareholders' funds and ability to implement strategy and the price of the Equity Shares.

- ***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 disclosed under the section titled "Risk Factors" no known trends or uncertainties are envisaged or are expected to have a material adverse impact on sales, revenue or income from continuing operations to Company's knowledge.

- ***Future changes in relationship between costs and revenues in case of events such as future increase in labor or material cost or prices that will cause material change.***

Other than as described in the sections entitled "Risk Factors" and this "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 11 and 117, respectively, of this Draft Prospectus, to our knowledge there are no known factors which will have a material adverse impact on our operations or finances.

- ***The extent to which material increases in net sales / revenue is due to increase in sales volume, introduction of new products or services or increased sales prices***

The increase in revenues is by and large linked to increases in volume of the activities carried out by the Company.

- ***Total turnover of each major industry segment in which the Company operated***

The Company operates in single segment in context of accounting standards 17 on Segment Reporting issued by ICAI.

- ***Status of any publicly announced New Products or Business Segment***

The Company has not announced any new products or business segment.

- ***The extent to which our Company's business is seasonal***

Our business is not seasonal in nature.

- ***Competitive conditions***

The Retail & Textile market is highly competitive and fragmented, and we face competition from various domestic and international manufacturers. Moreover, as we seek to diversify into new geographical areas globally, we may face competition from existing players that have presence in respective markets. In order to counter the competition, our focus would be to provide products that would be in consonance with technical and quality requirements of our customer as well as by trying to offer a competitive pricing model without compromise on the quality.

- ***Any significant dependence on a single or few suppliers or customers***

We are not under threat of dependence from any single supplier or customer.

**Details of material developments after the date of last balance sheet i.e. March 31, 2017**

No circumstances have arisen since the date of last financial statement until the date of filing this Draft Prospectus, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months. There is no subsequent development after the date of the Auditor's Report, which will have a material impact on the reserves, profits, earnings per share and book value of the Equity Shares of the Company.



## **SECTION VI: LEGAL AND OTHER INFORMATION**

### **OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS**

*Except as stated in this section, (i) there are no winding up petitions, outstanding litigations, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices pending against our Company or against any other company whose outcome could have a materially adverse effect on the business, operations, cash flows or financial position of our Company, and (ii) there are no defaults including non-payment or overdue of statutory dues, overdues to banks or financial institutions, defaults against banks or financial institutions or rollover or rescheduling of loans, defaults in creation of full security as per the terms of issue/other liabilities, proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (1) of Part I of Schedule XIII of the Companies Act, 1956 and under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company except as stated below, and (iii) no disciplinary action has been taken by SEBI or any stock exchange against our Company, Directors or Promoters (iv) there are no past cases in which penalties were imposed by the authorities concerned on our Company, Promoters, Group Companies and Directors; and (v) no disciplinary action has been taken by SEBI or any stock exchange against our Company, Directors, Promoters and Group Companies.*

#### **I. LITIGATION INVOLVING OUR COMPANY**

##### **A. Litigation against our Company**

###### **1. Litigation involving Criminal Laws**

NIL

###### **2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

###### **3. Litigation involving Tax Liabilities**

(i) **Direct Tax Liabilities –**  
NIL

(ii) **Indirect Taxes Liabilities**

NIL

###### **4. Other Pending Litigations**

NIL

##### **B. Litigation filed by our Company**

###### **1. Litigation Involving Criminal Laws**

NIL

###### **2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

###### **3. Litigation involving Tax Liabilities**

(i) **(Direct Tax Liabilities**

NIL

**(i) Indirect Taxes Liabilities**

NIL

**4. Other Pending Litigations**

NIL

**II. LITIGATION RELATING TO OUR DIRECTORS**

**A. Litigation against our Directors**

**1. Litigation Involving Criminal Laws**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**

**(i) Direct Tax Liabilities**

NIL

**(i) Indirect Taxes Liabilities**

NIL

**4. Other Pending Litigations**

NIL

**B. Litigation filed by our Directors**

**1. Litigation Involving Criminal Laws**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**

**(i) Direct Tax Liabilities**

NIL

**(i) Indirect Taxes Liabilities**

NIL

**4. Other Pending Litigations**

NIL

**III. LITIGATION RELATING TO OUR PROMOTERS**

#### **A. Litigation against our Promoters**

##### **1. Litigation Involving Criminal Laws**

NIL

##### **2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

##### **3. Litigation involving Tax Liabilities**

###### **(i) Direct Tax Liabilities**

NIL

###### **(i) Indirect Taxes Liabilities**

NIL

##### **4. Other Pending Litigations**

NIL

#### **B. Litigation filed by our Promoters**

##### **1. Litigation Involving Criminal Laws**

NIL

##### **2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

##### **3. Litigation involving Tax Liabilities**

###### **(i) Direct Tax Liabilities**

NIL

###### **(ii) Indirect Taxes Liabilities**

NIL

##### **4. Other Pending Litigations**

NIL

#### **IV. LITIGATION INVOLVING OUR GROUP ENTITIES**

##### **A. Litigation against our Group Entities**

##### **1. Litigation Involving Criminal Laws**

NIL

##### **2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

##### **3. Litigation involving Tax Liabilities**

**(i) Direct Tax Liabilities**

NIL

**(ii) Indirect Taxes Liabilities**

NIL

**4. Other Pending Litigations**

NIL

**B. Litigation filed by our Group Entities****1. Litigation Involving Criminal Laws**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities****(i) Direct Tax Liabilities**

NIL

**(ii) Indirect Taxes Liabilities**

NIL

**4. Other Pending Litigations**

NIL

**AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS****Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development, 2006**

There are no creditors as per the last audited financial statements i.e. as on March 31, 2017, under micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development, 2006 other than one creditor with which the amount outstanding is Rs.9.48 Lakh.

**Material Creditors of our Company having an amount outstanding as on March 31, 2017 is more than 3.89 Lakhs, being 5% of the Company's trade payables as per the last audited financial statements of our Company.**

There are no Material Creditors as per the last audited financial statements i.e. as on March 31, 2017, other than one creditor with an outstanding amount of Rs. 68.02 Lakhs.

For further details, please see website at [www.7nrretailtd.in](http://www.7nrretailtd.in)

*Information provided on the website of our Company is not a part of this draft Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at its own risk.*

**Outstanding Litigations involving the Company, or involving any other person or company whose outcome may have a material adverse effect on the Company's results of operations or financial position.**

Except as described above, as on date of this Draft Prospectus, there are no outstanding litigations involving the Company and its, associates or involving any other person or company whose outcome may have a material adverse effect on the Company's results of operations or financial position.

**There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 (five) years.**

Except as stated above under the Section titled — “Outstanding Litigation and Material Developments – Litigations against our Directors – Litigation Involving Actions by Statutory/Regulatory Authorities”, there are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 (five) years.

**Pending proceedings initiated against our Company for economic offences.**

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

**Inquiries, investigations etc. instituted under the Companies Act, 2013 or any previous company's enactment in the last 5 (five) years against our Company.**

There are no inquiries, investigations etc. instituted under the Companies Act or any previous company's enactment in the last 5 (five) years against our Company.

**Material Fraud against our Company in the last 5 (five) years**

There has been no material fraud committed against our Company in the last 5 (five) years.

**Fines imposed or compounding of offences for default**

There are no fines imposed or compounding of offences done in the last 5 (five) years immediately preceding the year of this Draft Prospectus for the Company for default or outstanding defaults.

**Material developments occurring after last balance sheet date**

Except as disclosed elsewhere in this Prospectus, there have been no material developments that have occurred after the Last Balance Sheet Date. For further details, please see the chapter titled “*Management Discussions and Analysis of Financial Conditions and Result of Operations*” beginning on page 117 of this Draft Prospectus.

## **GOVERNMENT AND OTHER APPROVALS**

*In view of the licenses / permissions / approvals / no-objections / certifications / registrations, (collectively “Authorisations”) from the Government of India and various statutory / regulatory / governmental authorities listed below, our Company can undertake this Issue and our current business activities and to the best of our knowledge, no further approvals from any governmental or statutory or regulatory authority or any other entity are required to undertake this Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus.*

*The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing business activities. For further details in connection with the regulatory and legal framework within which we operate, please refer “Key Industrial Regulations and Policies” on page 66 of this Draft Prospectus.*

### **A. Corporate / General Authorisations**

Sr. No.	Authorisation granted	Issuing Authority	Registration No. / Reference No. / License No.	Applicable Act/ Regulation	Date of Issue	Valid up to
1.	Certificate of Incorporation in the name of “7NR Retail Private Limited”	Registrar of Companies, Gujarat, Dadra and Nagar Havelili	U52320GJ2012PT C073076	Companies Act, 1956	December 21, 2012	Valid until cancelled
2.	Fresh Certificate of Incorporation in the name of “7NR Retail Limited”	Registrar of Companies, Ahmedabad	U52320GJ2012PL C073076	Companies Act, 2013	March 22, 2017	Valid until cancelled

### **B. Issue Related Authorisations**

- Our Board of Directors has, pursuant to a resolution passed at its meeting held on February 15, 2017, authorised the Issue subject to the approval by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 such other authorities as may be necessary.
- The Shareholders of our Company have authorised the Issue, pursuant to a special resolution under Section 62(1)(c) of the Companies Act, 2013, passed at their EGM held on March 11, 2017.
- Our Company has obtained approval dated [.] from the BSE.
- Our Company's International Securities Identification Number (“ISIN”) is INE413X01019.

### **C. Business Related Approvals**


Sr. No.	Authorization Granted	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue / Renewal / Effective Date	Validity
1.	Permanent Account Number	Commissioner of Income Tax	AAACZ6298A	December 21, 2012	Valid until cancellation
2.	Tax Deduction Account Number (TAN)	Income Tax Department, GoI	AHMN05496B	February 06, 2013	Valid until cancellation
3.	Gujarat VAT Taxpayer's Identification Number (TIN)	Commercial Taxes Department, Government of Gujarat	24073406174	January 23, 2013	Valid until cancellation
4.	Registration Certificate under Central Sales Tax Rules, 1957	Commercial Taxes Department, Government of Gujarat	24573406174	01.02.2013	Valid until cancellation
5.	Shop and Establishment Certificate for Premises - GF/ 34, Iscon Arcade, opp.	Shop and Establishment Department, Ahmedabad Municipal Corporation	PII/EL/32/000077 9	March 05, 2014	December 31, 2019

Sr. No.	Authorization Granted	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue / Renewal / Effective Date	Validity
	Ratnam Com. C.G. Road, Ellesbridge, Ahmedabad				
6.	Shop and Establishment Certificate for Premises - GF/ 46, 4D Square, Nr. Sanghath Mall, Visat to, Gandhinagar Highway, Motera, Ahmedabad, Highway	Shop and Establishment Department, Ahmedabad Municipal Corporation	PII/VSTC/290002 4/0013920	March 05, 2014	December 31, 2019
7.	Shop and Establishment Certificate for Premises – B-SF-207, Titanium City Center (Business Park), Nr. Sachin Tower, 100FT. Road, Satellite, Ahmedabad-15	Shop and Establishment Department, Ahmedabad Municipal Corporation	PII/VSTR/290000 4/0159417	February 22, 2017	December 31, 2017
8.	Registrations under the Employees State Insurance Act, 1948	Employee State Insurance Corporation, Ahmedabad, Gujarat.	370010304600010 02	April 01, 2013	Valid until cancellation
9.	Registration Certificate under Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Employees' Provident Fund Organisation, Ahmedabad, Gujarat.	GJ/AHD/59285	April 01, 2013	Valid until cancellation
10.	Professional Tax Number	Ahmedabad Municipal Corporation	PRC01-5170967	June 04, 2013	Valid until cancellation

#### D. Intellectual property registrations

##### Trademarks applied in the name of our Company

Our Company has applied for the following registrations under the Trademark Act 1999 and Trademark Rule 2003. The Status of our application is as under:

S. No.	Logo	Date of Application	Application No.	Class	Status
1.		April 18, 2017	3527495	25	Formalities Check Pass

## **SECTION VII- OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

Our Board of Directors have vide resolution dated February 15, 2017 authorized the Issue, subject to the approval by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013.

The shareholders have authorized the Issue, by passing a Special Resolution at the Extra Ordinary General Meeting held on March 11, 2017 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

The Company has obtained approval from BSE vide letter dated [●] to use the name of BSE in this Issue Document for listing of equity shares on the SME platform of the BSE. BSE is the designated stock exchange.

### **Prohibition by SEBI**

Our Company, our Promoters, our Promoters Group, our Directors or any of the Company's Associates or Group Companies and Companies with which the Directors of the Company are associated as Directors or Promoters, are currently not prohibited from accessing or operating in the capital market under any order or direction passed by SEBI, have not been debarred from accessing or operating in the capital market by the Board (SEBI) or any other regulatory or governmental authority. The listing of any securities of our Company has never been refused by any of the stock exchanges in India.

None of our Promoters, Promoter Group, Directors has ever been part of Promoters, Promoter Group, Directors of any other Company which is debarred from accessing the capital market under any order or directions made by the Board (SEBI) or any other regulatory or governmental authority.

None of our Directors are in any manner associated with the securities market and there has been no action taken by SEBI against our Directors or any entity in which our Directors are involved as promoters or directors.

### **Prohibition by RBI**

Neither our Company, our Promoters, our Promoter Group, our Group Companies, relatives of our Promoters (as defined under the Companies Act), our Directors and Companies with which our Directors are associated as directors or promoters have not been declared as willful defaulters by RBI / government authorities and there are no violations of securities laws committed by them in the past and no proceedings are pending against them.

### **Association with Securities Market**

We confirm that none of our Directors are associated with the securities market in any manner except for trading on day to day basis for the purpose of investment.

### **Eligibility for the Issue**

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

This Issue is being made in terms of Regulation 106 (M) (1) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue face value capital does not exceed ten crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE).

We confirm that:

a) 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 more than 15% of the Total Issue Size. For further details pertaining to said underwriting, please refer to "General Information – Underwriting" on page 32 of this Draft Prospectus.

b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our Company becomes liable to repay it, then our



Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under Section 40 of the Companies Act, 2013.

c) In accordance with Regulation 106(O) of 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 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 refer to “General Information – Details of the Market Making Arrangements for this Issue” on page 33 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 X-B of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), , Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

Our Company is also eligible for the Issue in accordance with eligibility norms for Listing on SME Exchange / Platform BSE circular dated April 01, 2015, which states as follows:

**BSE ELIGIBILITY NORMS:** (<http://www.bsesme.com/static/getlisted/criteriaisting.aspx?expandable=0>)

1. The Company has Net Tangible Assets of at least Rs. 3 Crore as per the latest audited financial results.
2. The Company has Net Worth (excluding revaluation reserve) of at least Rs. 3 Crores as per the latest audited financial results.
3. The Company has 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 a period of at least 12 months. Or has a Networth of at least Rs. 5 Crores.
4. The distributable Profit, Net tangible Assets and Net worth of the Company as per the restated financial statements is as set forth below:-

(Rs. In Lacs)

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
Distributable Profits*	37.53	(30.18)	(5.08)
Net Tangible Assets**	452.34	226.42	260.97
Net Worth***	540.39	232.76	262.86

\* “Distributable profits” have been computed in terms section 123 of the Companies Act, 2013, Extraordinary income will not be considered for the purpose of calculating distributable profits.

\*\* ‘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 deferred tax asset and intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.

\*\*\* “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 revaluation reserve and after deducting miscellaneous expenditure, if any

## 5. Other Requirements

- i. The post-issue paid up capital of the company shall be at least Rs. 3 crore.

As on the date of this Draft Prospectus, the paid up capital of the Company is Rs. 5.09 Crores and the Post Issue Capital of our Company shall be Rs. 6.98 Crores which is in excess of Rs. 3 Crore.

- ii. *The company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.*

Our Company is in process of entering into the tripartite agreements with CDSL and NSDL along with our Registrar for facilitating trading in dematerialized mode.

- iii. *Companies shall mandatorily have a website.*

Our Company has a live and operational website: [www.7nrretailtd.in](http://www.7nrretailtd.in)

- iv. *There is no change in the promoters of the Company in the preceding one year from date of filing application to BSE for listing on SME segment.*

There is no change in the promoter/s of the Company in the preceding one year from date of filing application to BSE for listing on SME segment.

**6. Certificate from the applicant company / promoting companies stating the following:**

- a. *The Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).*

Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

- b. *There is no winding up petition against the company that has been accepted by a court.*

There is no winding up petition against our Company that has been accepted by a court or liquidator has been appointed.

**DISCLAIMER CLAUSE OF SEBI**

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO 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, GUINNESS CORPORATE ADVISORS PRIVATE LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH 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 AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT PROSPECTUS, THE LEAD MERCHANT BANKER, GUINNESS CORPORATE ADVISORS PRIVATE LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, GUINNESS CORPORATE ADVISORS PRIVATE LIMITED HAS FURNISHED, A DUE DILIGENCE CERTIFICATE DATED MAY 02, 2017 WHICH READS AS FOLLOWS:

- 1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THIS 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 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**
- (C) THE DISCLOSURES MADE IN THIS 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, THE COMPANIES ACT, 2013 (TO THE EXTENT NOTIFIED), 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 THIS 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 FULFIL THEIR UNDERWRITING COMMITMENTS.**
- 5) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS 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 OF THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS 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 THIS DRAFT PROSPECTUS.**
- 7) WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) 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 THE STOCK EXCHANGE MENTIONED IN THIS DRAFT PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.  
-- NOTED FOR COMPLIANCE
- 10) WE CERTIFY ALL THE SHARES SHALL BE ISSUED IN DEMATERIALIZED FORM IN COMPLIANCE WITH THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013 AND THE DEPOSITORIES ACT, 1996 AND THE REGULATIONS MADE THEREUNDER.
- 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 THIS 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 ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
- 15) WE ENCLOSE 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 THIS DRAFT PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
- 16) WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER, AS PER FORMAT SPECIFIED BY THE BOARD THROUGH CIRCULAR.
- 17) WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS

THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE**

- (1) WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THIS DRAFT PROSPECTUS 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 DRAFT PROSPECTUS 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
- (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 PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THIS DRAFT 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.

*Note: The filing of this Draft Prospectus does not, however, absolve our Company from any liabilities under section 34 and section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and / or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the LM any irregularities or lapses in this Draft Prospectus.*

*All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Chandigarh in terms of Section 26 and 30 of the Companies Act, 2013.*

**Statement on Price Information of Past Issues handled by Guinness Corporate Advisors Private Limited:**

Sr. No.	Issuer Name	Issue size (Rs. in cr.)	Issue price (Rs.)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Nintec Systems Limited	1.88	10	18.04.2016	11.70	15.00%	41.50%	110.00%
						[-0.43%]	[+7.48%]	[+7.19%]
2	Shanti Educational Initiatives Limited	39.60	90	14.06. 2016	90.00	3.33%	5.56%	7.22%
						[+5.86%]	[+7.42%]	[+0.45%]
3	Kwality Pharmaceuticals Limited	6.21	45	18.07. 2016	45.00	0.11%	15.11%	75.11%
						[+1.15%]	[-0.78%]	[-1.83%]
4	Riddhi Steel and Tube Limited	8.89	38	14.09. 2016	37.70	2.63%	-3.03%	-12.50%
						[-2.57%]	[-6.55%]	[+3.77%]
5	Aditya Consumer Marketing Limited	6.00	15	17.10.2016	15.70	28.33%	40.67%	197.00%
						[-4.45%]	[-0.88%]	[+7.02%]
6	India Green Reality Limited	10.38	30	18.10.2016	31.50	-0.33%	18.67%	42.33%
						[-6.25%]	[-2.72%]	[+5.03%]
7	Aditya Vision Ltd.	5.76	15	12.12.2016	15.50	16.67%	16.67%	NA
						[+1.45%]	[+11.04%]	
8	Super Fine Knitters Limited	4.08	12	02.02.2017	12.60	26.00%	NA	NA
						[+2.15%]		
9	Sarthak Metals Limited	10.91	30	27.03.2017	29.45	10.67%	NA	NA
						[+1.43%]		
10	ASL Industries Limited	9.80	35	18.04.2017	33.10	NA	NA	NA

Note: The 30th , 90th, and 180th calendar days has been taken as listing date plus 29, 89, 179 calendar days respectively. Where the 30th day / 90th day / 180th day of a particular year falls on a BSE trading holiday, the immediately following trading day has been considered. Where the 30th day / 90th day / 180th of a particular year falls on the day when there is no trade in equity share of the Company , preceding trading day has been considered. BSE SENSEX has been considered as the benchmark index. We have taken the Issue price to calculate the % change in closing price as on 30th, 90th and 180th day.

**Summary Statement on Price Information of Past Issues handled by Guinness Corporate Advisors Private Limited:**

Financial Year	Total no. of IPOs	Total Funds raised (Rs. in cr.)	Nos. of IPOs trading at discount as on 30th calendar day from listing date			Nos. of IPOs trading at premium as on 30th calendar day from listing date			Nos. of IPOs trading at discount as on 180th calendar day from listing date			Nos. of IPOs trading at premium as on 180th calendar day from listing date		
			Over	Between	Less than 25 %	Over	Between	Less than 25 %	Over	Between	Less than 25 %	Over	Between	Less than 25 %
			50 %	25-50 %		50 %	25-50 %		50 %	25-50 %		50 %	25-50 %	
April 1, 2017 – date of filing of this Draft Prospectus	1	9.80	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2016-17	9	93.71	NA	NA	1	NA	2	6	NA	NA	1	2	NA	1
2015-16	3	9.60	NA	NA	1	NA	NA	2	NA	1	2	NA	NA	NA

**Track records of past issues handled by the Guinness Corporate Advisors Private Limited**

For details regarding the track record of the Guinness Corporate Advisors Private Limited, as specified under Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to the website of Guinness Corporate Advisors Private Limited at [www.guinnessonline.net](http://www.guinnessonline.net)



**Disclaimer Clause 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 the SME Platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter for 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 from our Company, Directors and the Lead Manager**

Our Company, its Directors, and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company’s instance and anyone placing reliance on any other source of information including our website [www.7nrretailtd.in](http://www.7nrretailtd.in) 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 for Issue Management entered into among the Lead Manager and our Company dated April 19, 2017, the Underwriting Agreement April 19, 2017 entered into among the Underwriter and our Company and the Market Making Agreement dated April 19, 2017 entered into among the Lead Manager, Market Maker and our Company.

All information shall be made available by us and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centers or elsewhere.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in future engage, in investment banking transactions with our Company, affiliates or associates or third parties, for which they have received, and may in future receive, compensation.

**Note:**

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.



**Disclaimer in respect of Jurisdiction**

This Issue is being made in India to persons resident in India {including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized 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, public financial institutions as specified in section 4A of the Companies Act, state industrial development corporations, Venture Capital Funds (VCFs) registered with SEBI, Insurance Companies registered with Insurance and Regulatory Development Authority, Provident Funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lacs and pension funds with minimum corpus of Rs. 2,500 Lacs, and to permitted non residents including FIIs, eligible NRIs, multilateral and bilateral development financial institutions, foreign venture capital investors registered with SEBI and eligible foreign investors provided they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Prospectus does not, however, constitute an offer to sell an invitation to subscribe to or purchase 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 this Draft Prospectus comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in 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, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**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. 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 Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

**Filing**

This Draft Prospectus is being filed with BSE SME Platform, P. J. Towers, Dalal Street, Fort, Mumbai – 400 001.

This Draft Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in term of Reg. 106(M) (3). However, a copy of the Prospectus shall be filed with SEBI at The Regional Manager, Unit No.: 002, Ground Floor, SAKAR I, Near Gandhigram Railway Station, Opp. Nehru Bridge Ashram Road, Ahmedabad – 380 009.

A copy of the Prospectus, along with the 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

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, application shall be made to SME Platform of BSE for obtaining permission for listing of the Equity Shares being offered and sold in the Issue on its SME Platform after the allotment in the Issue.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by BSE, our Company will forthwith repay, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within 6 (six) Working Days of the Issue Closing Date.

The Company has obtained approval from BSE vide letter dated [●] to use the name of BSE in this Offer document for listing of equity shares on SME Platform of BSE.

### Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, Chief Financial Officer, the Statutory and Peer review Auditor, the Banker(s) to the Company; and (b) the Lead Manager, Underwriters, Market Makers, Bankers to the Issue, Registrar to the Issue, Legal Advisor to the Issue to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 26 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

### Expert Opinion

Except the report of the Statutory (Peer Reviewed) Auditor on the Restated Financial Statements and report of the Statutory Auditor on the Statement of Tax Benefits included in this Draft Prospectus, our Company has not obtained any other expert opinion.

### Public Issue Expenses

The Management estimates an expense of Rs. 30.00 Lakhs towards Issue expenses. The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, and payment to other intermediaries such as legal advisor, peer review auditor, Registrar to the Issue etc. and other out of pocket expenses. The estimated Issue expenses are as follows:

Sr. No.	Particulars	Rs. in Lakhs	% of Total Expenses	% of Total Issue Size
1.	Issue management fees including fees selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	23.00	76.66	4.49
2.	Printing & Stationery, Distribution, Postage, etc	2.00	6.67	0.39
3.	Advertisement & Marketing Expenses	2.00	6.67	0.39
4.	Regulatory & other expenses	3.00	10.00	0.59
<b>Total</b>		<b>30.00</b>	<b>100.00</b>	<b>5.86</b>

### **Fees Payable to Lead Manager to the Issue**

The total fees payable to the Lead Manager will be as per the MoU between our Company and Lead Manager, copy of which is available for inspection at the Registered Office of our Company.

### **Fees Payable to the Registrar to the Issue**

The fees payable by the Company to the Registrar to the Issue for processing of application, data entry, printing of CAN/, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Memorandum of Understanding signed with the Company, copy of which is available for inspection at the Registered Office of our Company.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send allotment advice by registered post/ speed post/ under certificate of posting.

### **Underwriting Commission, Brokerage and Selling Commission**

The underwriting commission and the selling commission for the Issue are as set out in the Underwriting Agreement amongst the Company and Underwriter. The underwriting commission shall be paid as set out in the Underwriting Agreement based on the Issue price and the amount underwritten in the manner mentioned on page 32 of this Draft Prospectus.

### **Commission and Brokerage paid on previous Issues of our Equity Shares**

Since this is the Initial Public Issue of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

### **Capital Issue during the last three years**

Our Company and its Group Companies have not made any capital issue viz. initial public offering, rights issue or composite issue during the last three years.

### **Previous Public or Rights Issue**

There have been no public or rights issue by our Company during the last five years.

### **Previous Issues of Equity Shares otherwise than for cash**

Except as stated in the section titled “Capital Structure” on page 35 of this Draft Prospectus, we have not made any previous issues of shares for consideration otherwise than for cash.

### **Promise vis-à-vis performance**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

None of the Group Entities has made public issue of equity shares during the period of ten years immediately preceding the date of filing draft offer document with the BSE.

### **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

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

## Investor Grievances and Redressal System

The Company has appointed Cameo Corporate Services Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue, namely, Cameo Corporate Services Limited, will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-coordinating with the Registrar to the Issue in attending to the grievances to the investor. The Company assures that the Board of Directors in respect of the complaints, if any, to be received shall adhere to the following schedules:

Sr. No.	Nature of Complaint	Time Table
1.	Non receipt of Demat Credit of Shares	Within 7 days of receipt of complaint subject to production of satisfactory evidence
2.	Any other complaint in relation to Public Issue	Within 7 days of receipt of complaint with all relevant details.

Redressal of investors' grievance is given top priority by the Company. The Committee oversees redressal of complaints of shareholders/investors and other important investor related matters. The Company has adequate arrangements for redressal of investor complaints as follows:

Share transfer/ dematerialization/ rematerialization are handled by professionally managed Registrar and Transfer Agent, appointed by the Company in terms of SEBI's direction for appointment of Common Agency for physical as well as demat shares. The Registrars are constantly monitored and supported by qualified and experienced personnel of the Company.

We have appointed Ms. Shaili Samir Mehta, as Company Secretary and Compliance Officer and he may be contacted in case of any pre-issue or post-issue problems. He can be contacted at the following address:

### Mr. Shaili Samir Mehta,

Company Secretary & Compliance Officer,

Address: B-207, Titanium City Centre,

Nr. Sachin Tower, Anand Nagar Road, Satellite,

Ahmedabad -380015 Gujarat, India

Tel: : +91-079-48901492

Email: [cs@7nrretailtd.in](mailto:cs@7nrretailtd.in) ; [investors@7nrretailtd.in](mailto:investors@7nrretailtd.in)

Investors can contact the Compliance Officer or the Registrar to the Issue or the Lead Manager in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts etc.

Further, our Board has constituted a Stakeholders' Relationship Committee comprising our Directors, which is responsible for redressal of grievances of the security holders of our Company. For more information, see "*Our Management*" on page 76 of this Draft Prospectus.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system "**SCORES**". This would enable investors to lodge and follow up their complaints and

track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in).

### Changes in Auditors

Except as stated below, there is no change in the Auditors in the last three years:

Financial Year	From	To	Reason
2016 -17	DSNT & Associates, Chartered Accountants	Loonia & Associates Chartered Accountants	Due to Pre occupation
2015-16	Daxesh Shah & Associates, Chartered Accountants	DSNT & Associates, Chartered Accountants	Due to Pre occupation

### Capitalization of reserves or profits during last five (5) years.

Our Company has not capitalized any reserve during last five (5) years.

### Revaluation of assets during the last five (5) years

Our Company has not revalued its assets during the last five (5) years.

## **SECTION VIII – ISSUE RELATED INFORMATION**

### **TERMS OF THE ISSUE**

*The Equity Shares being offered 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 Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

#### **Ranking of Equity Shares**

The Equity Shares being offered shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment.

For further details, please refer to the section titled “Main Provisions of the Articles of Association” on page 199 of this Draft Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association and the provisions of the Listing Agreement executed with the Stock Exchange, and shall be recommended by the Board of Directors and the shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act 2013.

For further details, please refer to the section titled “Dividend Policy” on page 95 of this Draft Prospectus.

#### **Face Value and Issue Price**

The Equity Shares having a face value of Rs. 10/- each are being offered in terms of this Draft Prospectus at the price of Rs. 27/- per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled “Basis for Issue Price” on page 52 of this Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

#### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, terms of Listing Agreements with Stock Exchange and the Memorandum and Articles of Association of the Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, etc., please see the section titled "*Main Provisions of Articles of Association* " beginning on page 199 of this 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 dematerialized form. In terms of existing SEBI ICDR Regulations, trading in the Equity Shares shall only be in dematerialized form for all investors.

The trading of the Equity Shares will happen in the minimum lot size of 4,000 Equity Shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of 4,000 Equity Share subject to a minimum allotment of 4,000 Equity Shares to the successful applicants.

### **Minimum Number of Allottees**

The minimum number of Allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective Allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 15 days of closure of Issue.

### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013, any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.



In case 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 the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 40 of the Companies Act, 2013.

*In accordance with Regulation 106 P (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Issue through the Prospectus and shall not be restricted to the minimum subscription level.*

*In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty).*

*Further, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lac per application.*

#### Arrangements for Disposal of Odd Lots

The trading of the Equity Shares will happen in the minimum contract size of 4,000 shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum lot size allowed for trading on the SME platform of BSE.

#### Restrictions, If any, on Transfer and Transmission of Shares or Debentures and on their Consolidation or Splitting.

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation / splitting, please refer to the section titled “Main Provisions of the Articles of Association” on Page no. 199 of this Draft Prospectus.

#### Option to receive Equity Shares in Dematerialized Form

As per section 29 of Companies Act 2013, allotment of Equity Shares will be made only in dematerialised form.

#### Migration to Main Board

Our Company may migrate to the main board of BSE from SME platform of BSE on a later date subject to the following:

a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), 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

b) If the Paid up Capital of the company is more than Rs. 10 crores but below Rs. 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### Market Making

The shares offered through this Issue are proposed to be listed on the SME Platform of BSE (SME Exchange), wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Maker of the SME Exchange for a minimum period of three years from the date of listing on the SME Platform of BSE. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to “*General Information - Details of the Market Making Arrangement for this Issue*” on page 33 of this Draft Prospectus.

In accordance with the SEBI Circular No.CIR/MRD/DSA/31/2012 dated November 27, 2012; it has decided to make applicable limits on the upper side for the Market Maker during market making process taking into consideration the Issue size in the following manner:

Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)
Upto Rs. 20 Crore, (as applicable in our case)	25%	24%
Rs. 20 Crore to Rs. 50 Crore	20%	19%
Rs. 50 Crore to Rs. 80 Crore	15%	14%
Above Rs. 80 Crore	12%	11%

Further, the following shall apply to market makers while managing their inventory during the process of market making:

The exemption from threshold shall not be applicable for the first three months of market making and the market maker shall be required to provide two way quotes during this period irrespective of the level of holding.

Any initial holdings over and above such 5% of issue size would not be counted towards the inventory levels prescribed.

Apart from the above mandatory inventory, only those shares which have been acquired on the platform of the exchange during market making process shall be counted towards the Market Maker's threshold. Threshold limit will take into consideration, the inventory level across market makers

The Market Maker shall give two way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

### New Financial Instruments

The Issuer Company is not issuing any new financial instruments through this Issue.

**Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Ahmedabad, India.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (“**Securities Act**”) or any state securities laws in the United States, and may not be offered or sold within the United States (**as defined in Regulation S under the Securities Act**), except pursuant to an exemption from or in a transaction not subject to, registration Issues and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### ISSUE STRUCTURE

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 face value capital does not exceed ten Crores rupees shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an Issue please refer the section titled “*Terms of the Issue*” and “*Issue Procedure*” on page 149 and 156 of this Draft Prospectus.

#### Following is the Issue structure:

Public Issue of 18,96,000 Equity Shares of Rs.10/- each for cash at a price of Rs. 27/- per Equity Share (including a Share premium of Rs. 17/- per Equity Share) aggregating to Rs. 511.92 Lacs. The Issue comprises reservation of 96,000 Equity Shares for subscription by the designated Market Maker (“the Market Maker Reservation Portion”) and Net Issue to Public of 18,00,000 Equity Shares (“the Net Issue”).

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
<b>Number of Equity Shares available for allocation</b>	18,00,000 Equity Shares	96,000 Equity Shares
<b>Percentage of Issue Size available for allocation</b>	94.94% of the Issue size	5.06% of the Issue size
<b>Basis of Allotment</b>	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 “ <i>Issue Procedure – Basis of Allotment</i> ” on page 166 of this Draft Prospectus.	Firm Allotment
<b>Mode of Application</b>	Through ASBA Process Only	Through ASBA Process Only
<b>Minimum Application Size</b>	<b>For QIB and NII:</b> Such number of Equity Shares in multiples of 4,000 Equity Shares such that the Application Value exceeds Rs. 2,00,000/-  <b>For Retail Individuals:</b> 4,000 Equity Shares	96,000 Equity Shares
<b>Maximum Application Size</b>	<b>For QIB and NII:</b> The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations as applicable.  <b>For Retail Individuals:</b> Such number of Equity Shares in multiples of 4,000 Equity Shares such that the Application Value does not exceed Rs. 2,00,000/-.	96,000 Equity Shares
<b>Mode of Allotment</b>	Dematerialized Form only	Dematerialized Form only
<b>Trading Lot</b>	4,000 Equity Shares	4,000 Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
<b>Terms of Payment</b>	The entire Application Amount will be payable at the time of submission of the Application Form.	

\*As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, as present Issue is a fixed price Issue 'the Allocation' in the net Issue to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; 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 that higher percentage.**

### Withdrawal of the Issue

The Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

1. The final listing and trading approvals of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment and,
2. The final ROC approval of the Prospectus after it is filed with the ROC.

In case, the Company wishes to withdraw the Issue after Issue opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

### Issue Programme

<b>Issue Opening Date</b>	[●]
<b>Issue Closing Date</b>	[●]

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working day i.e. all trading days of stock exchanges excluding Sunday and bank holidays as per SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

## **ISSUE PROCEDURE**

All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the “General Information Document”) included below under section **“Part B – General Information Document”**, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Regulations as amended. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations, 2015 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchange and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, there have been certain changes in the issue procedure for initial public offerings including making ASBA Process mandatory for all investors, allowing registrar, share transfer agents, collecting depository participants and stock brokers to accept application forms. Further, SEBI, by its circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, reduced the time taken for listing after the closure of an issue to six working days. These changes are applicable for all public issues which open on or after January 1, 2016. We shall make appropriate changes to the **“Issue Procedure”** section and other sections of this Draft Prospectus and the Prospectus prior to filing with RoC.

**Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change.** Our Company and the 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 the Lead Manager would not be liable for any amendment, modification or change in applicable law, which may occur after the date of this Draft Prospectus.

Applicants are advised to make their independent investigations and ensure that their Applications 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.

### **Part A**

#### **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 via Fixed Price Process. Applicants are required to submit their Applications to designated intermediaries. 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, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that according to section 29(1) of Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in dematerialized form. The Application Forms which do not have the details of the Applicant’s depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and liable to be rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic application system of the stock exchanges by the Brokers (including sub-brokers) do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialized segment of the Stock Exchange.

Applicants are required to ensure that the PAN (of the sole/ first Applicant) provided in the Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. In case of joint Applications, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.

### Application Form

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the Lead Manager, SCSBs, the BSE (www.bseindia.com), the terminals of the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors shall apply through ASBA Mode only.

Applicants must provide bank account details and authorisation to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected. Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centers only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour*
Resident Indians and Eligible NRIs applying on a Non-Repatriation Basis (ASBA)	White
Non-Residents and Eligible NRIs applying on a repatriation basis (ASBA)	Blue

\* Excluding electronic Application Forms

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Prospectus. Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015, an investor intending to subscribe to this Issue shall submit a completed application form to any of the following intermediaries (collectively called as “Designated Intermediaries”)

Sr. No.	Designated Intermediaries
1.	SCSB with whom the bank account is maintained which is to be blocked
2.	Syndicate Member (including sub syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’)
4.	A depository participant (DP) (whose name is mentioned on the website of the stock exchange as eligible for this Activity)
5.	A registrar to an Issue and Share transfer agent (RTA) (whose name is mentioned on the website of the stock exchange as eligible for this Activity)

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, as a proof of having accepted the application form in physical or electronic mode respectively.

## Processing of Applications by Designated Intermediaries

**Applications submitted to SCSBs:** After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the Stock Exchange and block the necessary funds available in the bank account as specified in the application form to the extent of application money specified.

**Applications submitted to other than SCSBs:** After accepting the form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format alongwith the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

Applicants shall submit the application forms either in physical or electronic form to the SCSBs authorising blocking funds that are available in the bank account specified in the application form used by applicants.

## Availability of Prospectus and Application Forms

The Memorandum Form 2A 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, Lead Manager to the Issue, Registrar to the Issue and the collection centers of the Bankers 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

Persons eligible to invest under all applicable laws, rules, regulations and guidelines;

1. Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors as natural/legal guardian;
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Offer;
6. 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);
7. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB portion;
8. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant's category;
9. FPIs other than Category III foreign portfolio investor;
10. Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
11. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;

12. Venture Capital Funds registered with SEBI;
13. Foreign Venture Capital Investors registered with SEBI;
14. Eligible QFIs;
15. Multilateral and Bilateral Development Financial Institutions;
16. State Industrial Development Corporations;
17. 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;
18. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
19. Insurance Companies registered with Insurance Regulatory and Development Authority, India;
20. Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
21. Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
22. 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;
23. Nominated Investor and Market Maker
24. Insurance funds set up and managed by army, navy or air force of the Union of India
25. Any other person eligible to apply in this Issue, under the laws, rules, regulation, guidelines and policies applicable to them and under Indian laws.

**As per the existing policy of the Government of India, OCBs cannot participate in this Offer.**

**Applications not to be made by:**

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

**Option to subscribe in the Issue**

- a. As per Section 29 of the Companies Act, 2013, allotment of Equity Shares will in dematerialized form only.
- b. The equity shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

The information below is given for the benefit of the applicants. Our Company and the Lead Manager do not accept responsibility for the completeness and accuracy of the information stated. Our Company and the Lead Manager is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for does not exceed the limits prescribed under laws or regulations.



## Participation by Associates/Affiliates of LM

The LM, Market Maker and the Underwriter, if any shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates and affiliates of the LM, if any may subscribe to or purchase Equity Shares in the Issue, in the category as may be applicable to the applicants, where the allotment is on a proportionate basis in such subscription, may be on their own account or behalf of their clients.

## Application by Indian Public Including Eligible NRI's 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 (except through their Legal Guardians), 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, Partnership firms or their nominees. In case of HUFs application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of securities exceeding the number of securities offered to the public.

In case of Application by Eligible NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a NRO Account of a Non-Resident Applicant applying on a non-repatriation basis.

## Applications by Eligible NRIs on Repatriation basis

Application Forms have been made available for eligible NRIs at our registered office.

Only Applications accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs intending to make payment through freely convertible foreign exchange and applying on a repatriation basis could make payments through Indian Rupee drafts purchased abroad or cheques or bank drafts or by debits to their Non-Resident External ("NRE") Account or Foreign Currency Non-Resident ("FCNR") Accounts, maintained with banks authorised by the RBI to deal in foreign exchange. Eligible NRIs applying on a repatriation basis are advised to use the Application Forms meant for Non-Residents, accompanied by a bank certificate confirming that the payment has been made by debiting to the NRE or FCNR account, as the case may be. Payment for Applications by non-resident Applicant, applying on a repatriation basis will not be accepted out of Foreign Currency Non-Resident ("NRO") accounts.

Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account. Applications by Eligible NRIs for a payment amount of up to Rs. 2,00,000 would be considered under the Retail Portion for the purposes of allocation and Applications for a payment amount of more than Rs. 2,00,000 would be considered under Non-Institutional Portion for the purposes of allocation.

## 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.

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 FPIS, FIIS AND QFIS**

On January 7, 2014, SEBI notified the SEBI FPI Regulations pursuant to which the existing classes of portfolio investors namely 'foreign institutional investors' and 'qualified foreign investors' will be subsumed under a new category namely 'foreign portfolio investors' or 'FPIs'. RBI on March 13, 2014 amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies.

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. Accordingly, such FIIs can participate in this Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FPI after registering as an FPI under the SEBI FPI Regulations. Further, a QFI can continue to buy, sell or otherwise deal in securities until January 6, 2015 or until the QFI obtains a certificate of registration as FPI, whichever is earlier. Such QFIs shall be eligible to participate in this Issue in accordance with Schedule 8 of the FEMA Regulations and are required to apply under the Non-Institutional Applicants category.

In terms of the SEBI FPI Regulations, the Issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. As of now, in accordance with the foreign investment limits applicable to us the total foreign investment including FII investment cannot exceed the sectoral cap applicable to us (being 100% of our total post Issue paid-up capital). Further, the existing individual and aggregate investment limits for QFIs in an Indian company are 5% and 10% of the paid up capital of an Indian company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may Issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

### **Applications by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors**

As per the current regulations, the following restrictions are applicable for SEBI Registered 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. Accordingly, whilst 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 Investors can invest only up to 33.33% of the investible funds by way of subscription to an initial public Issue.

### 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, must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

### Applications by Insurance Companies

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment Scheme) (5th Amendment) Regulations, 2013, 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 15% of the respective fund in case of a life insurer or a general insurer or reinsurer or 15% of investment assets in all companies belonging to the group; and
- c) The industry sector in which the investee company operates: the least of 15% of the respective fund in case of a life insurer or a general insurer or reinsurer or 15% of investment assets.

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors, i.e. December 26, 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 Lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

### Applications by Banking Companies

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee are required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason.

The investment limit for banking companies as per the Banking Regulation Act, 1949, as amended, is 30.00% of the paid up share capital of the investee company or 30.00% of the banks’ own paid up share capital and reserves, whichever is less (except in certain specified exceptions, such as setting up or investing in a subsidiary, which requires RBI approval). Further, the RBI Master Circular of July 1, 2015 sets forth prudential norms required to be followed for classification, valuation and operation of investment portfolio of banking companies.

## Applications by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

## Application under Power of Attorney

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Mutual Funds, insurance companies and provident funds with minimum corpus of 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, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(a). With respect to applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

(b). With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

(c). With respect to applications made by provident funds with minimum corpus of 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, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company, the lead manager may deem fit.

***Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the Allotment Advice / CANs / letters and mailing of the same 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 this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.***

## Maximum and Minimum Application Size

### (a) For Retail Individual Applicants

The Application must be for a minimum of 4,000 Equity Shares and in multiples of 4,000 Equity Share thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price 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 or Non Institution Applicant cannot withdraw or lower its Application at any stage of Issue.

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 from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.**

### Information for the Applicants:

1. Our Company and the Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Application Form along with Abridge Prospectus and copies of the Prospectus will be available with the, the Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Application Forms will also be available on the website of the Stock Exchange.
4. Any applicant who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office.
5. Applicants who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.
8. Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSBs or other Designated Intermediaries (Other than SCSBs) , the relevant SCSB , shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form, before entering the ASBA application into the electronic system.

9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding persons resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be - suspended for credit and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.

10. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

### Method and Process of Applications

1. The Designated Intermediaries shall accept applications from the Applicants during the Issue Period.
2. The Issue Period shall be for a minimum of 3 Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.
6. The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.
7. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
8. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
9. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
10. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the



Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

### **Terms of Payment / Payment Instructions**

The entire Issue Price of Rs. 27/- per share is payable on application. All the applicants are required to use ASBA facility to make the payment. In case of allotment of lesser number Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on application to the applicants.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs. The applicants should note that the arrangement with Banker to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

### **Basis of Allotment**

Allotment will be made in consultation with BSE Limited (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 number in excess of the multiple of 4,000 would be rounded off to the nearest multiple of 4,000, subject to minimum allotment of 4,000 Equity Share.
5. If the shares allotted 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 this 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 retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
  - c) The unsubscribed portion of the net offer 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.

As per Regulation 43 (4) of SEBI (ICDR) Regulations, 2009 as amended, if the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

'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 BSE.

The Executive Director / Managing Director 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.

### **Payment mechanism**

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

*Please note that pursuant to SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 potential investors shall invest in the public issue through ASBA Mode only.*

### **Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - (i) the applications accepted by them,
  - (ii) the applications uploaded by them
  - (iii) the applications accepted but not uploaded by them or
  - (iv) With respect to applications by Applicants, applications accepted and uploaded by any Designated

Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts

4. Neither the Lead Managers nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to

- (i) the applications accepted by any Designated Intermediaries
- (ii) the applications uploaded by any Designated Intermediaries or
- (iii) the applications accepted but not uploaded by any Designated Intermediaries



5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.

6. With respect to applications by Applicants, at the time of registering such applications, the Syndicate members, DPs and RTAs shall forward a Schedule along with the Application Forms to Designated Branches of the SCSBs for blocking of funds.

7. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:

- Name of the Applicant;
- IPO Name;
- Application Form Number;
- Investor Category;
- PAN (of First Applicant, if more than one Applicant);
- DP ID of the demat account of the Applicant;
- Client Identification Number of the demat account of the Applicant;
- Number of Equity Shares Applied for;
- Bank Account details;
- Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
- Bank account number

8. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.

9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.

10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.

11. In case of Non Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in this Draft Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.

12. The permission given by the Stock Exchange to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application

details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.

14. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.

15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

### **Allocation of Equity Shares**

The Issue is being made through the Fixed Price Process where in 96,000 Equity Shares shall be reserved for Market Maker. 18,00,000 Equity Shares will be allocated on Proportionate basis to Retail Individual Applicants, subject to valid applications being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non Retail Applicants.

Under-Subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Managers and the Stock Exchange.

Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

In terms of SEBI Regulations, Non Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.

Allotment Status details shall be available on the website of the Registrar to the Issue.

### **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) are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the application amount in the ASBA account maintained with SCSB before submitting the application form under the ASBA process the respective member of the Syndicate (in the specified locations), the SCSBs, the registered broker (at the Broker Centers), the RTA ( at the Designated RTA Locations) or CDP ( at the Designated CDP Locations); Instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder, ensure that you have mentioned the correct bank account number in the Application Form;
- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for a receive a stamped acknowledgement of the Application Form for all your application options;
- All Investors submit their applications through the ASBA process only;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and

- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### ***Don'ts:***

- Do not Apply for lower than the minimum Application size;
- Do not Apply /revise Application Amount to less than or higher than the Issue Price;
- Do not Apply on another Application Form after you have submitted an Application to the designated intermediaries;
- Do not pay the Application Amount in cash, cheque, by money order or by postal order or by stock invest;
- The payment of the Application Amount in any mode other than blocked amounts in the bank account maintained with an SCSB shall not be accepted;
- Do not send Application Forms by post; instead submit the same to the Designated Intermediaries only;
- Do not Apply for an Application Amount exceeding Rs. 200,000 if you are applying under the Retail category;
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
- Do not submit the General Index Register number instead of the PAN; Do not instruct your respective banks to release the funds blocked in the ASBA Account for any other purpose;
- Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
- Do not submit an Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- Do not Apply if you are not competent to contract under the Indian Contract Act, 1872, as amended (other than minors having valid depository accounts as per Demographic Details provided by the Depositories);
- Do not withdraw your Application or lower the size of your Application (in terms of quantity of the Equity Shares or the Application Amount) at any stage, if you are a QIB or a Non-Institutional Investor;
- Do not submit more than five Application Forms per ASBA Account; The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Other Instructions**

##### ***Joint Applications in the case of Individuals***

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

##### ***Multiple Applications***

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications

- ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of “know your client” norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

### **Permanent Account Number or PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (“PAN”) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

### **Submission of Application Form**

All application forms duly completed shall be submitted to the designated intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counterfoil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

### **Right to Reject Applications**

In case of QIB Applicants, the Company in consultation with the LM 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.

### **Procedure and Time Schedule for Transfer of Equity Shares**

The Issue will be conducted through the “Fixed Price Method” pursuant to which the designated intermediaries will accept Applications for the Equity Shares during the Issue Period. The Issue Period will commence on [●] and expire on [●]. Following the expiration of the Issue Period, our Company, in consultation with the Lead Manager, will determine the basis of allotment and entitlement to allotment based on the applications received and subject to the confirmation by the Stock Exchange. Successful Applicants will be provided with a confirmation of their allocation for the Equity Shares within a prescribed time. The SEBI (ICDR) Regulations, 2009 require our Company to complete the allotment to successful Applicants within 4 days of the expiration of the Issue Period. The Equity Shares will then be credited and allotted to the investors’ demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchange, the Equity Shares will be listed and trading will commence.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

**There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **Impersonation**

Attention of the applicants is specifically drawn to the provisions of sub section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

**“Any person who:**

- a. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or**
- b. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
- c. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of the said Act.”**

#### **Signing of Underwriting Agreement**

Vide an Underwriting Agreement dated April 19, 2017 this issue is 100% Underwritten.

#### **Filing of the Prospectus with the ROC**

The Company will file a copy of the Prospectus with the RoC in terms of 26 of the Companies Act, 2013.

#### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price.

#### **Issuance of a Confirmation of Allocation Note (“CAN”)**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the Brokers a list of their Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

#### **Designated Date and Allotment of Equity Shares**

(a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Applicants Depository Account will be completed within six Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within five Working Days from the Issue Closing Date.

### **Disposal of Applications and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 6 working days of closure of the Issue.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- 1) Allotment of Equity Shares shall be made within 3 (three) working days of the Issue Closing Date;
- 2) Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and
- 3) If such money is not repaid within eight days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

### **Undertakings by our Company**

The Company undertakes the following:

- 1) That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (six) Working days of Issue Closing Date;
- 3) Allotment will be made or the Application money will be refunded within six Working Days from the Issue Closing Date or such lesser time as specified by SEBI or the application money will be refunded to the Applicants forthwith, failing which interest will be due to be paid to the Applicants at the rate of 15% per annum for the delayed period;
- 4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Applicant within six Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 5) That funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- 6) That if the Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 7) That the certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time;
- 8) That no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the Application monies are unblocked on account of non-listing, under subscription etc. and
- 9) That if the Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;
- 10) Adequate arrangements shall be made to collect all Application Forms from the Applicants.



## Utilization of Issue Proceeds

The Board of Directors of our Company 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 referred above shall be disclosed and continue to be disclosed till the time any part of the Issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested;
- 4) Our Company shall comply with the requirements of SEBI Listing Regulations in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue;
- 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 and

## Withdrawal of the Issue

Our Company, in consultation with the LM reserves the right not to proceed with the Issue at anytime, including after the Issue Closing Date but before the Board meeting for Allotment, without assigning any reason. 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 case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper. The Stock Exchanges where the Equity Shares are proposed to be listed shall also be informed promptly.

If the Company withdraws the Issue after the Application Closing Date, the Company will be required to file a fresh Issue Document with the Stock Exchange.

## Equity Shares in Dematerialised 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) Agreement dated [●] between NSDL, the Company and the Registrar to the Issue;
- (b) Agreement dated [●] between CDSL, the Company and the Registrar to the Issue;

The Company's shares bear an **ISIN No. INE413X01019**

- An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.
- 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.

## Communications

All future communications in connection with the Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated Intermediary where the Application was submitted 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.

## Part B GID

### General Information Document for Investing in Public Issues

*This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 and Companies Act, 1956 to the extent applicable, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Prospectus before investing in the Issue.*

### Section 1: Purpose of the General Information Document (GID)

This document is applicable to the public issues undertaken through to the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Applicants in IPOs, on the processes and procedures governing IPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations, 2009”).

Applicants should note that investment in equity and equity related securities involves risk and Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Prospectus filed by the Issuer with the Registrar of Companies (“RoC”). Applicants should carefully read the entire Prospectus and the Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the Prospectus, the disclosures in the Prospectus shall prevail. The Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the LM to the Issue and on the website of Securities and Exchange Board of India (“SEBI”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Applicants may refer to the section “Definitions and Abbreviations” on page 20 of this Draft Prospectus.

### SECTION 2: Brief introduction to IPOs on SME Exchange

#### 2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) or the Applicable Regulations of Chapter XB of the SEBI ICDR Regulations, 2009, as amended. For details of compliance with the eligibility requirements by the Issuer Applicants may refer to the Prospectus.

The Issuer may also undertake IPO under of chapter XB of the SEBI (ICDR) Regulations, wherein as per,

- Regulation 106M (1): An issuer whose post-issue face value capital does not exceed ten crores rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer, whose post issue face value capital, is more than ten crores rupees and up to twenty five crores rupees, may also issue specified securities in accordance with provisions of this Chapter.

The present Issue is being made under Regulation 106M (1) of Chapter XB of SEBI (ICDR) Regulations.



## 2.2 Other Eligibility Requirements

In addition to the eligibility requirements specified in paragraphs 2.1, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013 and the Companies Act, 1956 to the extent applicable (the “Companies Act”), The Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry- specific regulations, if any, and other applicable laws for the time being in force.

Following are the eligibility requirements for making an SME IPO under Regulation 106M (1) of Chapter XB of SEBI (ICDR) Regulation:

- (a) In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, Issue has to be 100% underwritten and the LM has to underwrite at least 15% of the total issue size.
- (b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, total number of proposed allottees in the Issue shall be greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013
- (c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, Company is not required to file any Offer Document with SEBI nor has SEBI issued any observations on the Offer Document. The Lead Manager shall submit the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- (d) In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the LM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue.
- (e) The Issuer shall have Net Tangible assets of at least Rs. 3 crore as per the latest audited financial results.
- (f) The Net worth (excluding revaluation reserves) of the Issuer shall be at least Rs. 3 crore as per the latest audited financial results.
- (g) The Issuer should have a track record of distributable profits in terms of section 123 of Companies Act, 2013 for two out of immediately preceding three financial years or it should have net worth of at least Rs. 5 Crores.
- (h) The Post-issue paid up capital of the Issuer shall be at least Rs. 3 Crore.
- (i) The Issuer shall mandatorily facilitate trading in demat securities.
- (j) The Issuer should not been referred to Board for Industrial and Financial Reconstruction.
- (k) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company.
- (l) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the Issuer.
- (m) The Company should have a website.
- (n) There has been no change in the promoter(s) of the Company in the one year preceding the date of filing application to BSE for listing on SME segment.

Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this Issue.

Thus Company is eligible for the Issue in accordance with regulation 106M (1) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital should not exceed ten crores. Company also complies with the eligibility conditions laid by the SME Platform of BSE for listing of our Equity Shares

## 2.3 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Issue (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in this Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Issue Opening Date, in case of an IPO and at least one Working Day before the Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Applicants should refer to the Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

## 2.4 Issue Period

The Issue may be kept open for a minimum of three Working Days (for all category of Applicants) and not more than ten Working Days. Applicants are advised to refer to the Application Form and Abridged Prospectus or Prospectus for details of the Issue Period. Details of Issue Period are also available on the website of Stock Exchange(s).

## 2.5 Migration to Main Board

SME Issuer may migrate to the Main Board of Stock Exchange from the SME Exchange at a later date subject to the following:

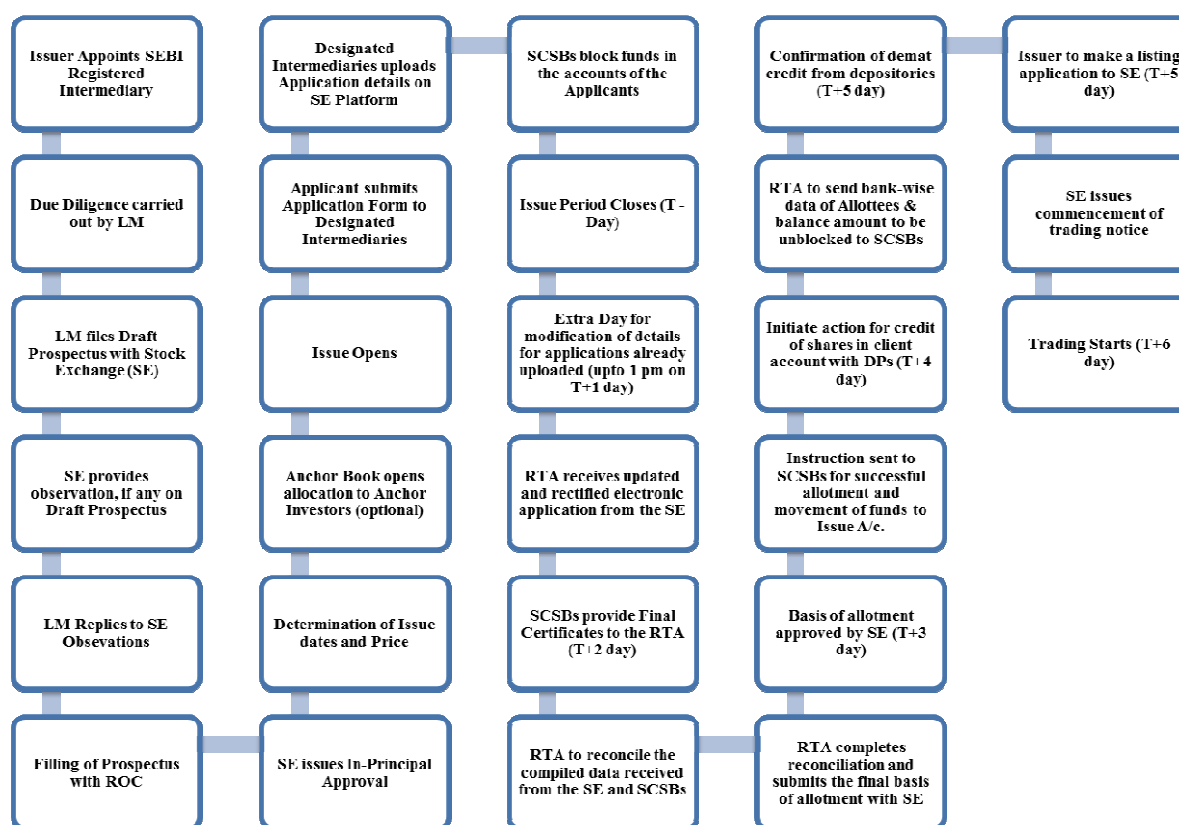
(a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the 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), the Company shall apply to Stock Exchange for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

Or

(b) If the Paid up Capital of the company is more than 10 crores and upto Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the 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.

## 2.6 Flowchart of Timelines

A flow chart of process flow in Fixed Price Issues is as follows:



### Section 3: Category of Investors eligible to participate in an Issue

**Each Applicant should check whether it is eligible to apply under applicable law.** Furthermore, certain categories of Applicants, such as NRIs, FIIs/FPIs, QFIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Applications belonging to an account for the benefit of a minor (under guardianship);
- 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/Application Form as follows: “Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Applications by HUFs may be considered at par with Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law ;
- Qualified Foreign Investors subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, applying under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the

Non Institutional Investors (NIIs) category;

- FPIs other than Category III Foreign Portfolio Investors applying under the QIBs category;
- FPIs which are Category III Foreign Portfolio Investors, applying under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

#### Section 4: Applying in the Issue

**Fixed Price Issue:** Applicants should only use the specified Application Form either bearing the stamp of Collection Bank(s) or SCSBs as available or downloaded from the websites of the Stock Exchange. Application Forms are available with the Branches of Collection Banks or Designated Branches of the SCSBs and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Application Form for various categories of Applicants is as follows:

Category	Colour of the application form*
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals applying under the QIB), FPIs, QFIs, on a repatriation basis	Blue

*\*Excluding Electronic Form*

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.

#### 4.1 Instructions for filling the application form (fixed price issue)

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the Prospectus and the Application Form are liable to be rejected.

Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below. The samples of the Application Form for resident Applicants and the Application Form for non-resident Applicants are reproduced below:

**COMMON BID CUM APPLICATION FORM**

TO,  
THE BOARD OF DIRECTORS  
XYZ LIMITED

**XYZ LIMITED - INITIAL PUBLIC ISSUE - R**

Address : ..... Contact Detail: ..... CIN No. ....

ISIN : .....

**FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS**

Bid cum Application Form No. ....

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SYNDICATE MEMBER'S STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE

BANK BRANCH SERIAL NO.

BROKER/SCSB/DP/RTA STAMP & CODE

ESCROW BANK/SCSB BRANCH STAMP & CODE

SCSB SERIAL NO.

**1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER**

Mr./Ms. ....

Address ..... Email .....

Tel. No. (with STD code) / Mobile .....

**2. PAN OF SOLE / FIRST BIDDER**

.....

---

**3. BIDDER'S DEPOSITORY ACCOUNT DETAILS** ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 15 digit Client ID

**4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")**

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			Cut-off (Please tick)
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	
Option 1												<input type="checkbox"/>
(OR) Option 2												<input type="checkbox"/>
(OR) Option 3												<input type="checkbox"/>

**5. CATEGORY**

☐ Retail Individual Bidder

☐ Non-Institutional Bidder

☐ QIB

\* HUF should apply only through Kara (Application by RUF would be treated on par with Individual)

---

**7. PAYMENT DETAILS**

Amount paid (₹ in figures) ..... (₹ in words) .....

ASBA Bank A/c No. ....

Bank Name & Branch .....

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABREBIO PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

**PAYMENT OPTION : FULL PAYMENT** ☐ **PART PAYMENT** ☐

---

**8A. SIGNATURE OF SOLE / FIRST BIDDER**

.....

Date : .....

**8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S)**  
(AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as necessary to make the Application in the line

1) .....

2) .....

3) .....

**BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)**

.....

---

LOGO

**XYZ LIMITED**

**INITIAL PUBLIC ISSUE - R**

**Acknowledgement Slip for Broker/SCSB/DP/RTA**

.....

Bid cum Application Form No. ....

PAN of Sole / First Bidder .....

---

DPID / CLID .....

Amount paid (₹ in figures) ..... Bank & Branch .....

ASBA Bank A/c No. ....

Received from Mr./Ms. ....

Telephone / Mobile ..... Email .....

Stamp & Signature of SCSB Branch

.....

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**XYZ LIMITED - INITIAL PUBLIC ISSUE - R**

No. of Equity Shares

Bid Price

Amount Paid (₹)

ASBA Bank A/c No. ....

Bank & Branch .....

Option 1

Option 2

Option 3

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

.....

**Acknowledgement Slip for Bidder**

Bid cum Application Form No. ....



<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b> Address : _____ Contact Details : _____ CTS No. : _____	For Bigible NR, FI, FVCI, applying on <b>Restriction Best</b>																																																																																																																												
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#### 4.1.1 Field Number 1: Name and contact details of the sole/first applicant

- (a) Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Applicants should note that the contact details mentioned in the Application Form may be used to dispatch communications (including letters notifying the unblocking of the bank accounts of ASBA Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Application Form may be used by the Issuer, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- (c) **Joint Applications:** In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favor of the Applicant whose name appears in the Application Form or the Revision Form and all communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (d) **Impersonation:** Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

***“Any person who:***

- (a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

*The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 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.*

- (e) **Nomination Facility to Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective Depository Participant.

#### 4.1.2 Field Number 2: PAN number of sole/first applicant

- (a) PAN (of the sole/ first Applicant) provided in the Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Applications on behalf of the Central or State Government, Applications by officials appointed by the courts and Applications by Applicants residing in Sikkim (“PAN Exempted Applicants”). Consequently, all Applicants, other than the PAN Exempted Applicants, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. An Application Form without PAN, except in case of Exempted Applicants, is liable to be rejected. Applications by the Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

- (c) The exemption for the PAN Exempted Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- (d) Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- (e) Applications by Applicants whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and demographic details are not provided by depositories.

#### 4.1.3 Field Number 3: Applicants Depository Account Details

- (a) Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Application Form is liable to be rejected.**
- (b) Applicants should ensure that the beneficiary account provided in the Application Form is active.
- (c) Applicants should note that on the basis of DP ID and Client ID as provided in the Application Form, the Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Issue.
- (d) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants' sole risk.

#### 4.1.4 Field Number 4: Application details

- (a) The Issuer mentions Price in this draft Prospectus and in prospectus registered with RoC.

- (b) Minimum And Maximum Application Size

- i. For Retail Individual Applicants

The Application must be for a minimum of 4,000 Equity Shares. As the Application Price payable by the Retail Individual Applicants cannot exceed Rs. 2,00,000, they can make Application for only minimum Application size i.e. for 4,000 Equity Shares.

- ii. 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. 200,000 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 and a NII Applicant cannot withdraw or lower its quantity or price in its application once the application is submitted and is required to pay 100% 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 from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.



- (c) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to different Collection Bank(s) or SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- (d) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
- i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FPI sub-accounts, Applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.
  - ii. For applications from Mutual Funds and FPI sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (e) The following applications may not be treated as multiple Applications:
- i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
  - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Application has been made.
  - iii. Applications by Mutual Funds, and sub-accounts of FPIs (or FPIs and its subaccounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

#### 4.1.5 Field Number 5: Category of applicants

- i. The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of application, allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- ii. An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- iii. The SEBI ICDR Regulations, 2009 specify the allocation or allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. For details pertaining to allocation and Issue specific details in relation to allocation, applicant may refer to the Prospectus.

#### 4.1.6 Field Number 6: Investor Status

- (a) Each Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Applicants, such as NRIs, FIIs/FPIs and FVCIs may not be allowed to Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.
- (c) Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Application Form and Non-Resident Application Form.
- (d) Applicants should ensure that their investor status is updated in the Depository records.

#### 4.1.7 Field Number 7: Payment Details

- (a) All Applicants are required to make payment of the full Amount (net of any Discount, as applicable) along with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full amount in the Application Form and the payment shall be made for Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.
- (b) 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.
- (c) QIBs and NIIs shall participate in the said Issue only through ASBA mechanism.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through ASBA process providing details about the bank account which will be blocked by the SCSBs for the same.

##### 4.1.7.1 Payment instructions for Applicants

- (a) ASBA Applicants may submit the Application Form either
  - i. in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account, or
  - ii. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Application Form or in physical mode to any Designated Intermediary.
- (b) Applicants should specify the Bank Account number in the Application Form. The Application Form submitted by an Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- (d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Application Forms can be submitted.
- (f) Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (g) Applicants applying through a Registered Broker, RTA or CDP should note that Application Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in the Application Form, is maintained, has not named at least one branch at that location for the Registered Brokers, RTA or CDP, as the case may be, to deposit Application Forms.

Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.

- (h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- (i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.

- (j) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- (k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- (l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

#### **4.1.7.2 Unblocking of ASBA Account**

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Applications, if any, along with reasons for rejection, if any to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Applicant to the Public Issue Account and may unblock the excess amount, if any, in the Account.
- (c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Amount in the relevant ASBA Account within 6 Working Days of the Issue Closing Date.

#### **4.1.7.3 Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Applications by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

#### **4.1.7.4 Discount (if applicable)**

- (a) The Discount is stated in absolute rupee terms.
- (b) Applicants applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Applicants may refer to the Prospectus.
- (c) the Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Amount less Discount (if applicable).

Applicant may note that in case the net payment (post Discount) is more than two lakh Rupees, the system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

#### **4.1.8 Field Number 8: Signatures and Other Authorisations**

- (a) Only the First Applicant is required to sign the Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

- (b) If the ASBA Account is held by a person or persons other than the ASBA Applicant, then the Signature of the ASBA Account holder(s) is also required.
- (c) In relation to the Applications, signature has to be correctly affixed in the authorization/undertaking box in the Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Amount mentioned in the Application Form.
- (d) Applicants must note that Application Form without signature of Applicant and /or ASBA Account holder is liable to be rejected.

#### 4.1.9 Acknowledgement and future communication

- (a) Applicants should ensure that they receive the acknowledgment duly signed and stamped, designated intermediary as applicable, for submission of the Application Form.
- (b) All communications in connection with Applications made in the Issue should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, refund orders, the Applicants should contact the Registrar to the Issue.
  - ii. In case of Applications submitted to the Designated Branches of the SCSBs, the Applicants should contact the relevant Designated Branch of the SCSB.
  - iii. In case of Applications submitted to the Designated Branches of the SCSBs, the Applicants should contact the relevant Designated Branch of the SCSB.
  - iv. In case of queries relating to uploading of Applications by a Registered Broker, the Applicants should contact the relevant Registered Broker
  - v. In case of Application submitted to the RTA, the Applicants should contact the RTA.
  - vi. In case of Application submitted to the DP, the Applicants should contact the relevant DP.

Applicant may contact the Company Secretary and Compliance Officer or LM(s) in case of any other complaints in relation to the Issue.

- (c) The following details (as applicable) should be quoted while making any queries -
  - i. full name of the sole or First Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
  - ii. name and address of the Designated Branch, as the case may be, where the application was submitted
  - iii. ASBA Account number in which the amount equivalent to the Amount was blocked.

For further details, Applicant may refer to the Prospectus and the Application Form.

#### 4.2 Instructions for filing the revision form

- (a) During the Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their application amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.
- (b) RII may revise their applications till closure of the Issue period or withdraw their applications until finalization of allotment.
- (c) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.
- (d) The Applicant can make this revision any number of times during the Issue Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the SCSB through which such Applicant had placed the original Application.

A sample Revision form is reproduced below:

<b>COMMON BID REVISION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>																																			
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I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ABBREVIATED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES (GID) AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.																																					
7A. SIGNATURE OF SOLE / FIRST BIDDER Date : .....		7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) I/We authorize the SCSB to do all acts as are necessary to make the Application in the law 1) ..... 2) ..... 3) .....																																			
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Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

#### **4.2.1 Fields 1, 2 and 3: Name and Contact Details of Sole/First Applicant, PAN of Sole/First Applicant & Depository Account Details of the Applicant**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### **4.2.2 Field 4 & 5: Application Form Revision ‘From’ and ‘To’**

- (a) Apart from mentioning the revised number of shares in the Revision Form, the Applicant must also mention the details of shares applied for given in his or her Application Form or earlier Revision Form.
- (b) In case of revision of applications by RIIs, Employees and Retail Individual Shareholders, such Applicants should ensure that the application amount should exceed Rs. 2,00,000/- due to revision and the application may be considered, subject to eligibility, for allocation under the Non-Institutional Category.

#### **4.2.3 Field 6: Payment Details**

- (a) All Applicants are required to make payment of the full application amount along with the Revision Form.
- (b) Applicant may Issue instructions to block the revised amount in the ASBA Account, to Designated Branch through whom such Applicant had placed the original application to enable the relevant SCSB to block the additional application amount, if any.

#### **4.2.4 Field 7: Signatures and Acknowledgements**

Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

### **4.3 Submission of Application Form/ Revision Form/Application Form**

#### **4.3.1 Applicants may submit completed application form / Revision Form in the following manner:-**

<b>Mode of Application</b>	<b>Submission of Application Form</b>
All Applications	To the Designated intermediaries

## **Section 5: Issue Procedure in Fixed Price Issue**

### **5.1 Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue.**

As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through designated intermediaries.

ASBA Applicants may submit an Application Form either in physical form to the designated intermediaries or in the electronic form to the SCSB, or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchange at least one day prior to the Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be

allocated to the Applicants in the other category.

## 5.2 Grounds of 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 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 person;
- 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 this Draft 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/cheque;
- 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 Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed by the sole Applicant;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications 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 , unless the extended time is permitted by BSE
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form/Application Form at the time of blocking such Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Applicants not submitted through ASBA process;
- Applications not uploaded on the terminals of the Stock Exchanges;
- Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form.
- Details of ASBA account not provided in the Application Form
- From one ASBA account, more than five applications are made by applicant.

**Applicants Should Note that in Case the PAN, the DP ID and client ID mentioned in the application form and entered into the electronic application system of the stock exchanges do not match with PAN, the DP ID and client ID available in the depository database, the application form is liable to be rejected.**

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section of the GID.

## **Section 6: Issue Procedure in Book Built Issue**

This being Fixed Price Issue, this section is not applicable for this Issue.

## **Section 7: Allotment procedure and Basis of Allotment**

### **7.1 Basis of Allotment**

Allotment will be made in consultation with the 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 hereunder:

(a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of Applicants in the category x number of Shares applied for).

(b) 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).

(c) For applications where the proportionate allotment works out to less than 4,000 equity shares the allotment will be made as follows:

- i. Each successful Applicant shall be allotted 4,000 equity shares; and
- ii. The successful Applicants out of the total applicants for that category shall be determined by the withdrawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.

(d) If the proportionate allotment to an 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 nearest multiple of 4,000 equity shares subject to a minimum allotment of 4,000 equity shares.

(e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Applicants in that category, the balance available Shares or 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 Applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the 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 Issue specified under the Capital Structure mentioned in this draft Prospectus.

(f) The above proportionate allotment of Shares in an Issue that is oversubscribed shall be subject to the reservation for Retail individual Applicants as described below:

- i. As per Regulation 43 (4) of SEBI (ICDR), as the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
- ii. The balance net Issue of shares to the public shall be made available for allotment to
  - individual applicants other than retails individual investors and
  - other investors, including corporate bodies/ institutions irrespective of number of shares applied for.



iii. The unsubscribed portion of the net Issue 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. '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 BSE.

The Executive Director / Managing Director 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 SEBI (ICDR) Regulations.

## 7.2 Designated Date and Allotment of Equity Shares

- (a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.

- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Applicants Depository Account will be completed within five Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within five Working Days of the Issue Closing Date.

## Section 8: Interest and Unblocking/Refund

### 8.1 Completion of formalities for Listing & commencement of Trading

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within Six Working Days of the Issue Closing Date.

### 8.2 Grounds for Unblocking/Refund

#### 8.2.1 Non receipt of Listing permission

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. The Stock Exchange from where such permission is sought are disclosed in this Draft Prospectus. The Designated Stock Exchange may be as disclosed in this Draft Prospectus with which the Basis of Allotment may be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Prospectus.

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.

### 8.2.2 Non receipt of 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 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement to 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 at the rate of 15% p.a.

### 8.2.3 Minimum Number of Allottees

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be unblocked.

### 8.3 Mode of unblocking of funds

Within six Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

### 8.4 Interest in case of delay in allotment or refund

The Issuer may pay interest at the rate of 15% per annum if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 Working days of the Issue Closing Date.

The Issuer may pay interest at 15% per annum if Allotment is not made in accordance with timelines prescribed under applicable law.

## Section 9: Glossary and Abbreviations

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Applicants
Allottee	An Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Applicant	Any prospective investor who makes a Application pursuant to the terms of the Prospectus and the Application Form.
Application	An indication to make an offer during the Issue Period by a prospective investor pursuant to submission of Application Form, to subscribe for or purchase the Equity Shares of the Issuer at a price including all revisions and modifications thereto.
Application Amount	The value indicated in Application Form and payable by the Applicant upon submission of the Application, less discounts (if applicable).

Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues
Application Supported by Blocked Amount / ASBA) /ASBA	An application, whether physical or electronic, used by Applicants to make an Application authorising the SCSB to block the Application Amount in the specified bank account maintained with such SCSBs Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No.CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all potential investors shall participate in the Issue only through ASBA process providing details about the bank account which will be blocked by the SCSBs.
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant
Banker(s) to the Issue	The bank which is clearing members and registered with SEBI as Banker to the Issue with whom the Public Issue Account(s) may be opened, and as disclosed in the Prospectus and Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Applicants under the Issue
Business Day	Monday to Saturday (except 2nd and 4th Saturday of a month and public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Companies Act	The Companies Act, 1956 and the Companies Act, 2013 to the extent notified
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Applicants including the Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> or at such other website as may be prescribed by SEBI from time to time
Designated Date	The date on which the amounts blocked by the SCSBs are transferred from the ASBA Accounts to the Public Issue Account following which the board of directors may give delivery instructions for the transfer of the Equity Shares constituting the Issue
Designated Stock Exchange	The designated stock exchange as disclosed in the draft Prospectus/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with the Designated Stock Exchange in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoter. For further details Applicant may refer to the draft Prospectus/Prospectus
Equity Shares	Equity shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
First Applicant	The Applicant whose name appears first in the Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional

	Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/ Fixed Price Process / Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
FPI(s)	Foreign portfolio investors, as defined under the FPI Regulations, including FIIs and QFIs, which are deemed to be foreign portfolio investors
FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Closing Date	The date after which the Designated Intermediary may not accept any Applications for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Closing Date
Issue Opening Date	The date on which the Designated Intermediary may start accepting Applications for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Opening Date
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their application inclusive of any revisions thereof. The Issuer may consider closing the Issue Period for QIBs one working day prior to the Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants may refer to the Prospectus for the Issue Period
Issue Price	The Price at which Equity Shares will be issued and allotted by our Company being Rs. 27/- per Equity Share.
Lead Manager(s)/Lead Manager/ LM	The Lead Manager to the Issue as disclosed in the Draft Prospectus/Prospectus and the Application Form of the Issuer.
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Lot size. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Lot size.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the draft Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less Market Maker reservation portion
Non-Institutional Investors or NIIs	All Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or RIBs and who

	have applied for Equity Shares for an amount of more than Rs. 200,000 (but not including NRIs other than Eligible NRIs), FPIs which are category III FPIs
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the draft Prospectus/Prospectus and the Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs/FPIs registered with SEBI and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act 2013, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the ASBA Accounts on the Designated Date
Qualified Financial Investors or QFIs	<p>Non-Resident investors, other than SEBI registered FIIs/FPIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI.</p> <p>Provided that such non-resident investor shall not be resident in country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies</p>
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the draft Prospectus/Prospectus and Application Form
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors / RIIs	Investors who applies or Applications for a value of not more than Rs. 200,000.

Retail Individual Shareholders	Shareholders of a listed Issuer who applies for a value of not more than Rs. 200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum lot size, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Applicants in an issue to modify the quantity of Equity Shares indicates therein in any of their Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Stock Exchanges/ SE	The stock exchanges as disclosed in the draft Prospectus/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Underwriters	The Lead Manager(s)
Underwriting Agreement	The agreement amongst the Issuer and the Underwriters
Working Day	All trading days of stock exchanges excluding Sundays and bank holidays in accordance with the circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 issued by SEBI.

## **RESTRICTION 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 the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the FIPB and the RBI.

The Government has from time to time made policy pronouncements on foreign direct investment (“**FDI**”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”), issued the Consolidated FDI Policy by way of circular no. D/o IPP F. No. 5(1)/2016-FC-1 dated June 7, 2016 (“**FDI Policy**”), which with effect from June 7, 2016, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on June 6, 2016. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

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 under the U.S. Securities Act, or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States.**

**Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.**



## **SECTION IX - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION**

### **[1] (1) Table “F” not to apply**

The regulations contained in Table “F” in the Schedule I to the Companies Act, 2013, shall not apply to the Company, except so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.

If any provisions is not defined in these Articles, the same will be governed by the Companies Act, 2013 as amended from time to time or any respective act applicable.

### **(2) a. Company to be governed by these Articles**

The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.

#### **b. Interpretation**

In this interpretation of these Articles, the following expressions shall have the following meanings, unless repugnant to the subject or context

“**Act**” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the Companies Act 1956, so far as may be applicable.

“**Articles**” means these articles of association of the Company or as altered from time to time.

“**Board of Directors**” or “**Board**” means the collective body of the Directors of the Company.

“**Company**” means “**7NR RETAIL LIMITED**”

“**Depository**” means a Depository as defined under clause (e) of Sub-Section (1) of Section 2 of the Depositories Act, 1996.

“**Rules**” means the applicable rule for the time being in force as prescribed in relevant sections of the Act.

“**Seal**” means Common Seal of the Company.

“**Secretarial Standards**” means standards provided by the Institute of Companies Secretaries of India.

“**Securities**” means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act 1956.

### **c. “Number” and “Gender”**

Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.

### **d. Expressions in the Articles to bear the same meaning as in the Act**

Unless the context otherwise requires, words or expression contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.

## **SHARE CAPITAL AND VARIATION OF RIGHTS**

### **[2] Shares under Control of Board**



Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount and at such time as they may from time to time think fit.

**[3] Directors may allot shares otherwise than for cash**

Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.

**[4] Kinds of Share Capital**

The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:

- (a) Equity share capital:
  - (i) with voting rights; and / or
  - (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and
- (b) Preference share capital

**[5] (1) Issue of Certificate**

Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provided –

- (a) one certificate for all his shares without payment of any charges; or
- (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

**(2) Certificate to bear seal**

Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

**(3) One certificate for shares held jointly**

In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

**[6] Option to receive share certificate or hold shares with depository**

Every holder of or subscriber to Securities of 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 the law, in respect of any Securities in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.

**[7] Issue of new certificate in place of one defaced, lost or destroyed**

If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

**[8] Provisions as to issue certificates to apply *mutatis mutandis* to debentures, etc.**

The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

**[9] Liability of a person holding any shares upon any trust**

Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

**[10] (1) Power to pay commission in connection with securities issued**

The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and the rules made there-under.

**(2) Rate of commission in accordance with Rules**

The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of Section 40.

**(3) Mode of payment of commission**

The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

**[11] (1) Variation of members' rights**

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

**(2) Provisions as to general meetings to apply *mutatis mutandis* to each meeting**

To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

**[12] Issue of further shares not to affect rights of existing members**

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

**[13] Power to issue redeemable preference shares**

Subject to the provisions of Section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

**[14] Further issue of share capital**

The Board or the Company as the case may be, may, by way of right issue or preferential offer or private placement or any other manner, subject to and in accordance with Act and the Rules, issue further securities to;

- (a) Persons who, at the date of the offer, are holders of equity shares of the Company. Such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favor of other person or;
- (b) employees under the employees' stock option or;
- (c) any person whether or not those persons include the persons referred to in clause (a) or clause (b) above;

**LIEN**

**[15] (1) Company's lien on shares**

The company shall have a first and paramount lien—

- (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
- (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company;

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

**(2) Lien to extend to dividends, etc.**

The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.

**(3) Waiver of lien in case of registration**

Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.

**[16] As to enforcing lien by sale**

The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—

- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.

**[17] (1) Validity of sale**

To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.

**(2) Purchaser to be registered holder**

The purchaser shall be registered as the holder of the shares comprised in any such transfer.

**(3) Validity of Company's receipt**

The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.

**(4) Purchaser not affected**

The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

**[18] (1) Application of proceeds of sale**

The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

**(2) Payment of residual money**

The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

**[19] Outsider's lien not to affect Company's lien**

In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

**[20] Provisions as to lien to apply *mutatis mutandis* to debentures, etc.**

The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities including debentures of the Company.

**Calls on shares**

**[21] (1) Board may make Calls**

The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of last preceding call.

**(2) Notice of call**

Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

### **(3) Board may extend time for payment**

The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.

### **(4) Revocation or postponement of call**

A call may be revoked or postponed at the discretion of the Board.

#### **[22] Call to take effect from date of resolution**

A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.

#### **[23] Liability of joint holders of shares**

The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

#### **[24] (1) When interest on call or installment payable**

If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.

### **(2) Board may waive Interest**

The Board shall be at liberty to waive payment of any such interest wholly or in part.

#### **[25] (1) Sums deemed to be calls**

Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

### **(2) Effect of non-payment of sums**

In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

#### **[26] Payment in anticipation of calls may carry interest**

The Board -

- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
- (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.

#### **[27] Installments on shares to be duly paid**

If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the

person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.

**[28] Calls on shares of same class to be on uniform basis**

All calls shall be made on a uniform basis on all shares falling under the same class.

*Explanation:* Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

**[29] Partial payment not to preclude forfeiture**

Neither a judgment nor a decree in favor of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof 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 shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.

**[30] Provisions as to calls to apply *mutatis mutandis* to debentures, etc.**

The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities including debentures of the Company.

**Transfer of shares**

**[31] (1) Instrument of transfer to be executed by transferor and transferee**

The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee.

(2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

**[32] Board may refuse to register transfer**

The Board may, subject to the right of appeal conferred by section 58 decline to register -

- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) Any transfer of shares on which the Company has a lien.

**[33] Board may decline to recognize instrument of transfer**

The Board may decline to recognise any instrument of transfer unless-

- (a) The instrument of transfer in the form as prescribed in the Rules made under sub-section (1) of section 56;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) The instrument of transfer is in respect of only one class of shares.

**[34] Transfer of shares when suspended**

On giving not less than seven days previous notice in accordance with section 91 and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty- five days in the aggregate in any year.

**[35] Provisions as to transfer of shares to apply *mutatis mutandis* to debentures, etc.**

The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

**Transmission of shares**

**[36] (1) Title to shares on death of a member**

On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.

**(2) Estate of deceased member liable**

Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

**[37] (1) Transmission Clause**

Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either –

- (a) To be registered himself as holder of the share; or
- (b) To make such transfer of the share as the deceased or insolvent member could have made.

**(2) Board's right unaffected**

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.

**(3) Indemnity to the Company**

The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.

**[38] (1) Right to election of holder of share**

If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

**(2) Manner of testifying election**

If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

**(3) Limitations applicable to notice**

All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

**[39] Claimant to be entitled to same advantage**

A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

**[40] Provisions as to transmission to apply *mutatis mutandis* to debentures, etc.**

The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other securities including debentures of the Company.

**Forfeiture of shares**

**[41] If call or installments not paid notice must be given**

If a member fails to pay any call, or installment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installments remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or installment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

**[42] Form of notice**

The notice aforesaid shall:

- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

**[43] In default of payment of shares to be forfeited**

If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

**[44] Receipt of part amount or grant of indulgence not to affect forfeiture**

Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.

**[45] Entry of forfeiture in register of members**

When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of



members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

**[46] Effect of forfeiture**

The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.

**[47] (1) Forfeited shares may be sold, etc.**

A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.

**(2) Cancellation of forfeiture**

At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

**[48] (1) Members still liable to pay money owing at the time of forfeiture**

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

**(2) Member still liable to pay money owing at time of forfeiture and interest**

All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realization. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.

**(3) Cesser of liability**

The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

**[49] (1) Certificate of forfeiture**

A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

**(2) Title of purchaser and transferee of forfeited shares**

The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favor of the person to whom the share is sold or disposed of;

**(3) Transferee to be registered as holder**

The transferee shall thereupon be registered as the holder of the share; and

**(4) Transferee not affected**

The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

**[50] Validity of sales**

Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.

**(51) Cancellation of share certificate in respect of forfeited shares**

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.

**[52] Surrender of share certificates**

The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.

**[53] Sums deemed to be calls**

The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

**[54] Provisions as to forfeiture of shares to apply *mutatis mutandis* to debentures, etc.**

The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

**Alteration of capital**

**[55] Power to alter share capital**

Subject to the provisions of Section 61, the Company may, by ordinary resolution –

- (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares:  
Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;
- (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

**[56] Shares may be converted into stock**

**(a) Where shares are converted into stock:**

the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the

conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;

**(b) Right of stockholders**

the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;

(c) Such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/“member” shall include “stock” and “stock-holder” respectively.

**[57] Reduction of capital**

The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,-

- (a) its share capital; and/or
- (b) any capital redemption reserve account; and/or
- (c) any securities premium account; and/or

**Joint Holders**

**[58] Joint-holders**

Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:

**(a) Liability of Joint- holders**

The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share.

**(b) Death of one or more joint-holders**

On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

**(c) Receipt of one sufficient**

Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.

**(d) Delivery of certificate and giving of notice to first named holder**

Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.

**(e) Vote of joint- holders**

- (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof.

**(ii) Executors or administrators as joint holders**

Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.

**(f) Provisions as to joint holders as to shares to apply *mutatis mutandis* to debentures, etc.**

The provisions of these Articles relating to joint holders of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company registered in joint names.

**Capitalization of profits**

**[59] (1) Capitalization**

The Company in general meeting may, upon the recommendation of the Board, resolve —

- (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
- (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

**(2) Sum how applied**

The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards:

- (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - (B) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
  - (C) Partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B).
- (3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
- (4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

**[60] (1) Powers of the Board for capitalization**

Whenever such a resolution as aforesaid shall have been passed, the Board shall -

- (a) make all appropriate applications of the undivided profits resolved to be capitalized thereby, and all allotments and issue of fully paid shares, if any; and

- (b) Generally do all acts and things required to give effect thereto.

**(2) Board's power to issue fractional certificate/coupon etc.**

The Board shall have power—

- (a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and
- (b) to authorize 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 or other securities to which they may be entitled upon such capitalization, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares.

**(3) Agreement binding on members**

Any agreement made under such authority shall be effective and binding on such members.

**Buy-back of shares**

**[61] Buy-back of shares**

Notwithstanding anything contained in these Articles but subject to all applicable provisions of section 68 to 7 provisions of the Act or any other of the Act or any other law for the time being in force, the Company may purchase shares or other specified

Shares or other specified securities or other specified securities.

**General meetings**

**[62] Extraordinary General Meeting**

All general meetings other than annual general meeting shall be called extraordinary general meeting.

**[63] Powers of Board to call extraordinary general meeting**

If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, that in which such a meeting may be called by the Board

**Proceedings at general meetings**

**[64] (1) Presence of Quorum**

No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

**(2) Business confined to election of Chairperson whilst chair vacant**

No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.

**(3) Quorum for general meeting**

Save as otherwise provided herein, the quorum for a general meeting shall be as provided in section 103.

**[65] Chairperson of the meetings**

The Chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.

**[66] Directors to elect a Chairperson**

If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

**[67] Members to elect a Chairperson**

If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically, choose one of their members to be Chairperson of the meeting.

**[68] Casting vote of Chairperson at general meeting**

On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.

**[69] (1) Minutes of proceedings of meetings and resolutions passed by postal ballot**

The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.

**(2) Certain matters not to be included in Minutes**

There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting -

- (a) is, or could reasonably be regarded, as defamatory of any person; or
- (b) is irrelevant or immaterial to the proceedings; or
- (c) is detrimental to the interests of the Company.

**(3) Discretion of Chairperson in relation to Minutes**

The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.

**(4) Minutes to be evidence**

The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.

**[70] (1) Inspection of minute books of general meeting**

The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:

- (a) be kept at the registered office of the Company; and
- (b) be open to inspection of any member without charge, during business hours on all working days.

## **(2) Members may obtain copy of minutes**

Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above:

Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.

## **[71] Powers to arrange security at meetings**

The Board, and also any person(s) authorized by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.

## **Adjournment of meeting**

### **[72] (1) Chairperson may adjourn the meeting**

The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

### **(2) Business at adjourned meeting**

No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

### **(3) Notice of adjourned meeting**

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.

### **(4) Notice of adjourned meeting not required**

Save as aforesaid, and save as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

## **Voting rights**

### **[73] Entitlement to vote on show of hands and on poll**

Subject to any rights or restrictions for the time being attached to any class or classes of shares -

- (a) on a show of hands, every member present in person shall have one vote; and
- (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

**[74] Voting through electronic means**

A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

**[75] (1) Vote of joint-holders**

In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

**(2) Seniority of names**

For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

**[76] How members *non compos mentis* and minor may vote**

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. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.

**[77] Votes in respect of shares of deceased or insolvent members, etc.**

Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

**[78] Business may precede pending poll**

Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

**[79] Restriction on voting rights**

No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien

**[80] Restriction on exercise of voting rights in other cases to be void**

A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.

**[81] Equal rights of members**

Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class

**Proxy**



**[82] (1) Member may vote in person or otherwise**

Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

**(2) Proxies when to be deposited**

The instrument appointing a proxy and the power-of- attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll; and in default the instrument of proxy shall not be treated as valid

**[83] Form of proxy**

An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

**[84] Proxy to be valid notwithstanding death of the principal**

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

**Board of Directors**

**[85] Board of Directors**

Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen).

**[86] (1) Directors not liable to retire by rotation**

Subject to the provisions of the Act, the Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.

**(2) Same individual may be Chairperson and Managing Director / Chief Executive Officer**

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 Officer of the Company.

**[87] (1) Remuneration of directors**

The remuneration of the directors shall, in so far as it consists of a monthly/ annually payment, be deemed to accrue from day-to-day or on yearly basis.

**(2) Remuneration to require members' consent**

The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act.

**(3) Travelling and other expenses**

In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

- (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or
- (b) in connection with the business of the Company

**[88] Execution of negotiable instruments**

All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

**[89] (1) Appointment of additional directors**

Subject to the provisions of Section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.

**(2) Duration of office of additional director**

Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.

**[90] (1) Appointment of alternate director**

The Board may appoint an alternate director to act for a director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.

**(2) Duration of office of alternate director**

An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.

**(3) Re-appointment provisions applicable to Original Director**

If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

**[91] (1) Appointment of director to fill a casual vacancy**

If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.

**(2) Duration of office of Director appointed to fill casual vacancy**

The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.

## Powers of Board

### [92] General Powers of the Company vested in Board

The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

## Proceedings of the Board

### [93] (1) When meeting to be convened

The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

### (2) Who may summon Board meeting

The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.

### (3) Quorum for Board meetings

The quorum for a Board meeting shall be as provided in the Act.

### (4) Participation at Board meetings

The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

### [94] (1) Questions at Board meeting how decided

Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

### (2) Casting vote of Chairperson at Board meeting

In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

### [95] Directors not to act when number falls below minimum

The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.

### [96] (1) Who to preside at meetings of the Board

The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

## **(2) Directors to elect a Chairperson**

If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their numbers to be Chairperson of the meeting.

### **[97] (1) Delegation of powers**

The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.

### **(2) Committee to conform to Board regulations**

Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

### **(3) Participation at Committee meetings**

The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

### **[98] (1) Chairperson of Committee**

A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.

### **(2) Who to preside at meetings of Committee**

If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

### **[99] (1) Committee to meet**

A Committee may meet and adjourn as it thinks fit.

### **(2) Questions at Committee meeting how decided**

Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.

### **(3) Casting vote of Chairperson at Committee meeting**

In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.

### **[100] Acts of Board or Committee valid notwithstanding defect of appointment**

All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

### **[101] Passing of resolution by circulation**

Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

### **Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer**

#### **[102] (A) Chief Executive Officer, etc.**

Subject to the provisions of the Act,—

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 and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.

#### **(B) Director may be chief executive officer, etc.**

A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

A provision of the Act or these regulation requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of chief executive officer, manager, company secretary or chief financial officer.

### **Registers**

#### **[103] Statutory registers**

The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during business hours on all working days, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

#### **[104] Foreign register**

(a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.

(b) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, *mutatis mutandis*, as is applicable to the register of members.

### **The Seal**

#### **[105] (1) The seal, its custody and use**

The Board shall provide for the safe custody of the seal.

## **(2) Affixation of seal**

The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorized by it in that behalf, and except in the presence of at least two directors or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

## **Dividends and Reserve**

### **[106] Company in general meeting may declare dividends**

The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.

### **[107] Interim dividends**

Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.

### **[108] (1) Dividends only to be paid out of profits**

The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.

### **(2) Carry forward of profits**

The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

### **[109] (1) Division of profits**

Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

### **(2) Payments in advance**

No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.

### **(3) Dividends to be apportioned**

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

### **[110] (1) No member to receive dividend whilst indebted to the Company And Company's right to reimbursement there from**

The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

**(2) Retention of dividends**

The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

**[111] (1) Dividend how remitted**

Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

**(2) Instrument of payment**

Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

**(3) Discharge to Company**

Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

**[112] Receipt of one holder sufficient**

Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

**[113] No interest on dividends**

No dividend shall bear interest against the Company.

**[114] Waiver of dividends**

The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

**Accounts**

**[115] (1) Inspection by Directors**

The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules

**(2) Restriction on inspection by members**

No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorized by the Board or by the Company in general meeting.

## Winding up

### [116] Winding up of Company

Subject to the applicable provisions of the Act and the Rules made thereunder -

(a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

## Indemnity and Insurance

### [117] Directors and officers right to indemnity

(a) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.

(b) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favor or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.

### (C) Insurance

The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

### [118] General Authority

(1) 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 authorized by its Articles, this regulation hereby authorizes 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**

### **LIST OF MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts and agreements referred to (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or contracts entered into more than two years before this Draft Prospectus), which are or may be deemed to be material have been entered into by or on behalf of the Company. Copies of these contracts together with copies of documents referred under material documents below all of which have been attached to the copy of the Draft Prospectus and have been delivered to the SME platform of BSE Limited and may be inspected at the Registered Office of the Company situated at B-207, Titanium City Centre, Nr. Sachin Tower, Anand Nagar Road, Satellite, Ahmedabad -380015 Gujarat, India, from the date of filing the Prospectus with RoC to Issue Closing date on working days from 10.00 a.m. to 5.00 p.m.

#### **Material Contracts**

1. Memorandum of Understanding dated April 19, 2017 between our Company and the Lead Manager to the Issue.
2. Agreement dated April 18, 2017 between our Company and Cameo Corporate Services Limited, Registrar to the Issue.
3. Public Issue Agreement dated [●] between our Company, Lead Manager, Issue Collection Bank and the Registrar to the Issue.
4. Market Making Agreement dated April 19, 2017 between our Company, Lead Manager and Market Maker.
5. Underwriting Agreement dated April 19, 2017 between our Company and Underwriter.
6. Copy of tripartite agreement dated [●] between NSDL, our Company and Cameo Corporate Services Limited.
7. Copy of tripartite agreement dated [●] between CDSL, our Company and Cameo Corporate Services Limited.

#### **Material Documents**

8. Certificate of Incorporation of our Company dated December 21, 2012 issued by Registrar of Companies, Gujarat, Dadra and Nagar Havelili.
9. Fresh Certificate of Incorporation dated March 22, 2017 issued by Registrar of Companies, Ahmedabad, Gujarat pursuant to conversion into private limited Company.
10. Memorandum and Articles of Association of our Company as amended from time to time.
11. Copy of the Resolution passed at the meeting of the Board of Directors held on February 15, 2017 approving the Issue.
12. Copy of the Resolution passed by the Shareholders of our Company under section 62(1) (c) at the EGM held on March 11, 2017.
13. Consents of the Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory (Peer Review) Auditor, Lead Manager to the Issue, Underwriter, Market Maker, Banker to the Issue, Registrar to the Issue and Legal Advisor to the Issue to include their names in this Draft Prospectus to act in their respective capacities.
14. Copies of Annual Reports of our Company for the preceding financial years viz. 2012-13, 2013-14, 2014-2015, 2015-16 and 2016-17.
15. Audit report and restated financial information issued by Statutory Auditors (Peer review certified) M/s. Loonia

& Associates, Chartered Accountants, dated April 20, 2017 included in this Draft Prospectus.

16. Letter dated April 20, 2017 from the statutory Auditors of our Company, M/s. Loonia & Associates, Chartered Accountants, detailing the special tax benefits.
17. Copy of certificate from the Statutory Auditor of our Company, M/s. Loonia & Associates, Chartered Accountants, dated April 24, 2017 regarding the sources and deployment of funds as on April 15, 2017.
18. Due Diligence Certificate dated May 02, 2017 to be submitted to BSE and Due Diligence Certificate dated [●] to be submitted to SEBI from Lead Manager viz. Guinness Corporate Advisors Private Limited along with the filing of the Prospectus.
19. Copy of approval from BSE vide letter dated [●] to use the name of BSE in this offer document for listing of Equity Shares on SME Platform of BSE.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

### **DECLARATION**

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 and nothing in the Prospectus is contrary to the provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified), the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the Securities and Exchange Board of India Act, 1992 (15 of 1992) and rules and the regulations made thereunder:

#### **SIGNED BY ALL THE DIRECTORS OF OUR COMPANY:**

<b>Pinal Kanchanlal Shah</b> Managing Director DIN: 05197449	Sd/-
<b>Riddhi Pinal Shah</b> Non Executive and Non Independent Director DIN: 05197462	Sd/-
<b>Akshay Premraj Mohnot</b> Non-Executive and Independent Director DIN: 06445501	Sd/-
<b>Eity Suryanarayan Pandey</b> Non Executive and Independent Director DIN: 07115578	Sd/-
<b>Mayank Agarwal</b> Non Executive and Independent Director DIN: 07179292	Sd/-

#### **SIGNED BY COMPANY SECRETARY & COMPLIANCE OFFICER AND CHIEF FINANCIAL OFFICER OF OUR COMPANY:**

<b>Shaili Samir Mehta</b> Company Secretary & Compliance Officer	Sd/-
<b>Kunjal Ashokkumar Panchal</b> Chief Financial Officer	Sd/-

**Place: Ahmedabad**

**Date: May 02, 2017**